

EOG Resources, Inc.
P.O. 1910
Vernal, UT 84078

January 18, 2006

Utah Division of Oil, Gas, & Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

RE: APPLICATION FOR PERMIT TO DRILL
NATURAL COTTON 59-29
NE/NE, SEC. 29, T9S, R21E
UINTAH COUNTY, UTAH
LEASE NO.: U-0581
FEDERAL LANDS

Enclosed please find a copy of the Application for Permit to Drill and associated attachments for the referenced well.

Please address further communication regarding this matter (including approval) to:

Ed Trotter
P.O. Box 1910
Vernal, UT 84078
Phone: (435)789-4120
Fax: (435)789-1420

Sincerely,


Ed Trotter
Agent
EOG Resources, Inc.

Attachments

Natural Cotton 59-29 B

RECEIVED
FEB 03 2006
DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

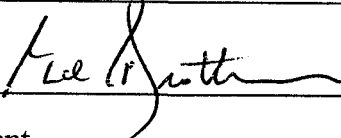
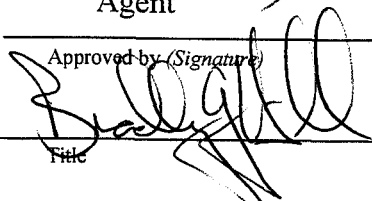
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. U-0581
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator EOG RESOURCES, INC.		7. If Unit or CA Agreement, Name and No.
3a. Address P.O. BOX 1815 VERNAL, UT 84078	3b. Phone No. (Include area code) (435)789-0790	8. Lease Name and Well No. NATURAL COTTON 59-29
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 1211' FNL, 369' FEL At proposed prod. Zone NE/NE 622329X 40.010931 4429744Y -109.566733		9. API Well No. 213-047-37691
14. Distance in miles and direction from nearest town or post office* 14.72 MILES SOUTHEAST OF OURAY, UTAH		10. Field and Pool, or Exploratory NATURAL BUTTES
15. Distance from proposed* location to nearest property or lease line, ft. 369' (Also to nearest drig. Unit line, if any)	16. No. of Acres in lease 2400	11. Sec., T., R., M., or Blk. and Survey or Area SEC. 29, T9S, R21E, S.L.B.&M.
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. See Topo Map C	19. Proposed Depth 5100'	12. County or Parish UINTAH
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 4878.6 FEET GRADED GROUND	22. Approximate date work will start* UPON APPROVAL	13. State UTAH
24. Attachments		17. Spacing Unit dedicated to this well 160
20. BLM/BIA Bond No. on file NM-2308		23. Esti mated duration 45 DAYS

Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature 	Name (Printed/Typed) Ed Trotter	Date January 18, 2006
Title Agent		
Approved by (Signature) 	Name (Printed/Typed) BRADLEY G. HILL ENVIRONMENTAL SCIENTIST III	Date 02-08-06
Title Agent	Office	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of Approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

Federal Approval of this
Action is Noted

RECEIVED

FEB 03 2006

DIV. OF OIL, GAS & MINING

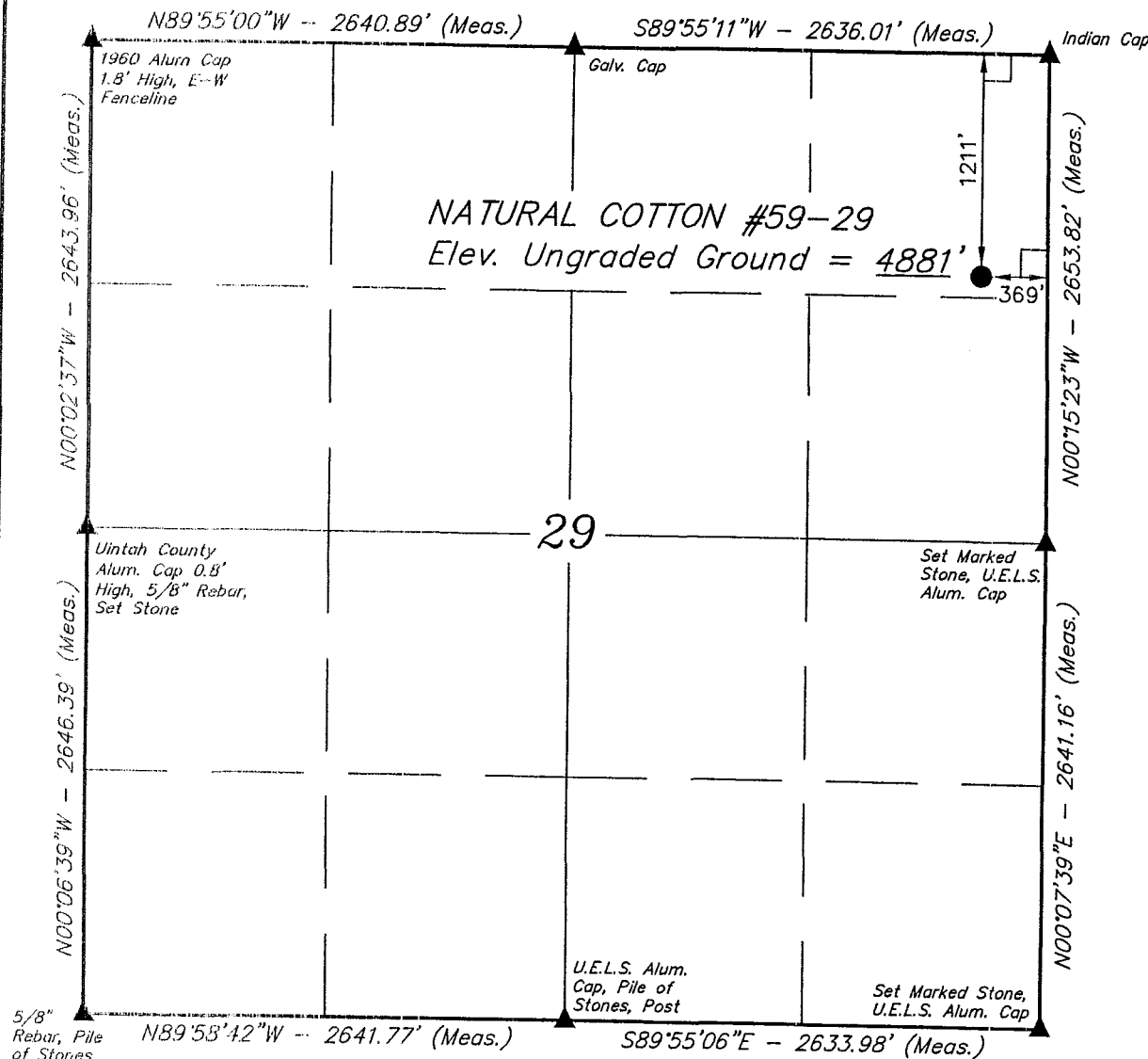
T9S, R21E, S.L.B.&M.

EOG RESOURCES, INC.

Well location, NATURAL COTTON #59-29,
located as shown in the NE 1/4 NE 1/4 of
Section 29, T9S, R21E, S.L.B.&M. Uintah
County, Utah.

BASIS OF ELEVATION

TWO WATER TRIANGULATION STATION LOCATED IN THE NW
1/4 OF SECTION 1, T10S, R21E, S.L.B.&M. TAKEN FROM THE
BIG PACK MTN NE, QUADRANGLE, UTAH, UTAH COUNTY, 7.5
MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE
UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL
SURVEY. SAID ELEVATION IS MARKED AS BEING 5238 FEET.



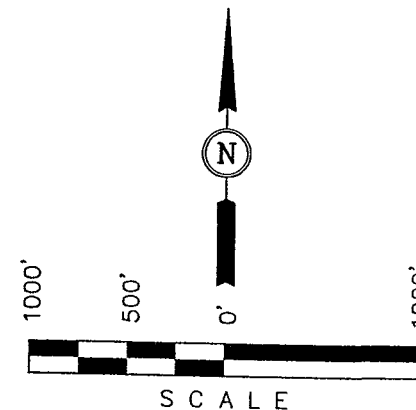
LEGEND:

- = 90° SYMBOL
- = PROPOSED WELL HEAD.
- = SECTION CORNERS LOCATED.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

(NAD 83)
LATITUDE = 40°00'39.40" (40.010944)
LONGITUDE = 109°34'02.82" (109.567450)
(NAD 27)
LATITUDE = 40°00'39.53" (40.010981)
LONGITUDE = 109°34'00.34" (109.566761)



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAN WAS PREPARED FROM
FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY
SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE
BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 10-5-05	DATE DRAWN: 10-10-05
PARTY T.B. B.C. K.G.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE EOG RESOURCES, INC.	

EIGHT POINT PLAN
NATURAL COTTON 59-29
NE/NE, SEC. 29, T9S, R21E, S.L.B.&M.
UINTAH COUNTY, UTAH

1. & 2. ESTIMATED TOPS & ANTICIPATED OIL, GAS, & WATER ZONES:

FORMATION	DEPTH (KB)
Uinta FM	18'
Green River FM	1,650'
Mahogany Oil Shale Bed	2,375'
Garden Gulch	2,420'
Middle Carb Bed	3,173'
Douglas Creek MBR	3,850'
Castle Peak MBR	4,500'
Uteland Butte MBR	4,810'

EST. TD: 5,100' or 200' ± below Uteland Butte Top Anticipated BHP: 2,520 Psig

1. Fresh Waters may exist in the upper, approximately 1,000 ft ± of the Green River Formation, with top at about 2,000 ft ±.
2. Cement isolation is installed to surface of the well isolating all zones by cement.

- 3. PRESSURE CONTROL EQUIPMENT:** Production Hole - 5,000 Psig
BOP Schematic Diagrams attached.

4. CASING PROGRAM:

	<u>HOLE SIZE</u>	<u>INTERVAL</u>	<u>SIZE</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>THREAD</u>	<u>RATING FACTOR</u>		
							<u>COLLAPSE</u>	<u>BURST</u>	<u>TENSILE</u>
Surface	12-1/4"	0' - 500'KB±	9-5/8"	36.0#	J-55	STC	2020 Psi	3520 Psi	394,000#
Production:	7-7/8"	500'± - TD	4-1/2"	11.6#	J-55	LTC	4960 Psi	5350 Psi	162,000#

All casing will be new or inspected.

5. Float Equipment:

Surface Hole Procedure (0 - 500' ± Below GL):

Guide Shoe

Insert Float Collar (PDC drillable)

Centralizers: 1 - 5-10' above shoe, every collar for next 3 joints (4 total).

Production Hole Procedure (500' ± - TD):

Float shoe, 1 joint casing, float collar and balance of casing to surface. 4-1/2", 11.6#, J-55 or equivalent marker collars or short casing joints to be placed 400' above top of Garden Gulch. Centralizers to be placed 5' above shoe on joint #1, top of joint #2, and every 2nd joint to 400' above Garden Gulch top. (15± total). Thread lock float shoe, top and bottom of float collar, and top of 2nd joint.

EIGHT POINT PLAN
NATURAL COTTON 59-29
NE/NE, SEC. 29, T9S, R21E, S.L.B.&M.
UINTAH COUNTY, UTAH

6. MUD PROGRAM:

Surface Hole Procedure (0 - 500' ± below GL):

Air/air mist or aerated water

Production Hole Procedure (500' ± - TD):

Anticipated mud weight 9.0 – 9.5 ppg depending on actual wellbore condition encountered while drilling.

500'± - TD A closed mud system will be utilized. A bentonite gelled water mud system will be used to control viscosity w/PHPA polymer used for supplemental viscosity and clay encapsulation/inhibition. Water loss will be maintained at <15cc's using white starch or PAC. Bactericides will be used as needed. Anticipated pH will range from 9.0-10.0. Mud weight will be adjusted as necessary for well control. Deflocculants/thinners will be used as necessary to maintain mud quality. LCM sweeps will be utilized as necessary to control lost circulation and mud loss. CO2 contamination, if encountered, will be treated with lime and gypsum.

7. VARIANCE REQUESTS:

Reference: Onshore Oil and Gas Order No. 2 – Item E: Special Drilling Operations

EOG Resources, Inc. requests a variance to regulations requiring the blooie line to be 100' in length. Due to reduce location excavation, the blooie line will be approximately 75' in length

8. EVALUATION PROGRAM:

Logs: Mud log from base of surface casing to TD.

Open-hole Logs: BHC (Schlumberger Borehole Compensated Sonic)
Schlumberger Platform Express consisting: of Open-hole gamma ray, resistivity, bulk density, and neutron porosity

9. CEMENT PROGRAM:

Surface Hole Procedure (0-500' ± Below GL)

Lead: 275 sks. (100% excess volume) Class 'G' cement with 2% S1 (CaCl₂) & 0.25 pps D29 (cellophane flakes), mixed at 15.8 ppg, 1.16 ft³./sk., 4.95 gps water.

Top Out: Top out with Class 'G' cement with 2% S1 (CaCl₂) in mix water, 15.8 ppg, 1.16 ft³./sk., 4.95 gps via 1" tubing set at 25' if needed.

Install 6' x 4' cellar ring, drill rat and mouse holes with spud rig.

Note: Cement volumes will be calculated to bring cement to surface.

EIGHT POINT PLAN
NATURAL COTTON 59-29
NE/NE, SEC. 29, T9S, R21E, S.L.B.&M.
UINTAH COUNTY, UTAH

CEMENT PROGRAM (Continued):

Production Hole Procedure (500' ± to TD)

Lead: 188 sks: 35:65 Poz "G" w/4% D20 (Bentonite), 2% D174 (Extender), 0.2% D65 (Dispersant), 0.2% D46 (Antifoam), 0.75% D112 (Fluid Loss Additive), 0.200% D13 (Retarder), 0.25 pps D29 (cello flakes) mixed at 13.0 ppg, 1.75 ft³/sk., 9.19 gps water.

Tail: 450 sks: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 ft³/sk., 5.9gps water.

Note: The above number of sacks is based on gauge-hole calculation.
Lead volume to be calculated to bring cement to 200'± above 9-5/8" casing shoe.
Tail volume to be calculated to bring cement to 400'± above top of Garden Gulch.

Final Cement volumes will be based upon gauge-hole plus 45% excess.

10. ABNORMAL CONDITIONS:

Surface Hole (Surface - 500'±):

Lost circulation

Production Hole (500'± - TD):

Sloughing shales, lost circulation and key seat development are possible in the Garden Gulch Formation.

11. STANDARD REQUIRED EQUIPMENT:

- A. Choke Manifold
- B. Upper and Lower Kelly Cock
- C. Stabbing Valve
- D. Visual Mud Monitoring

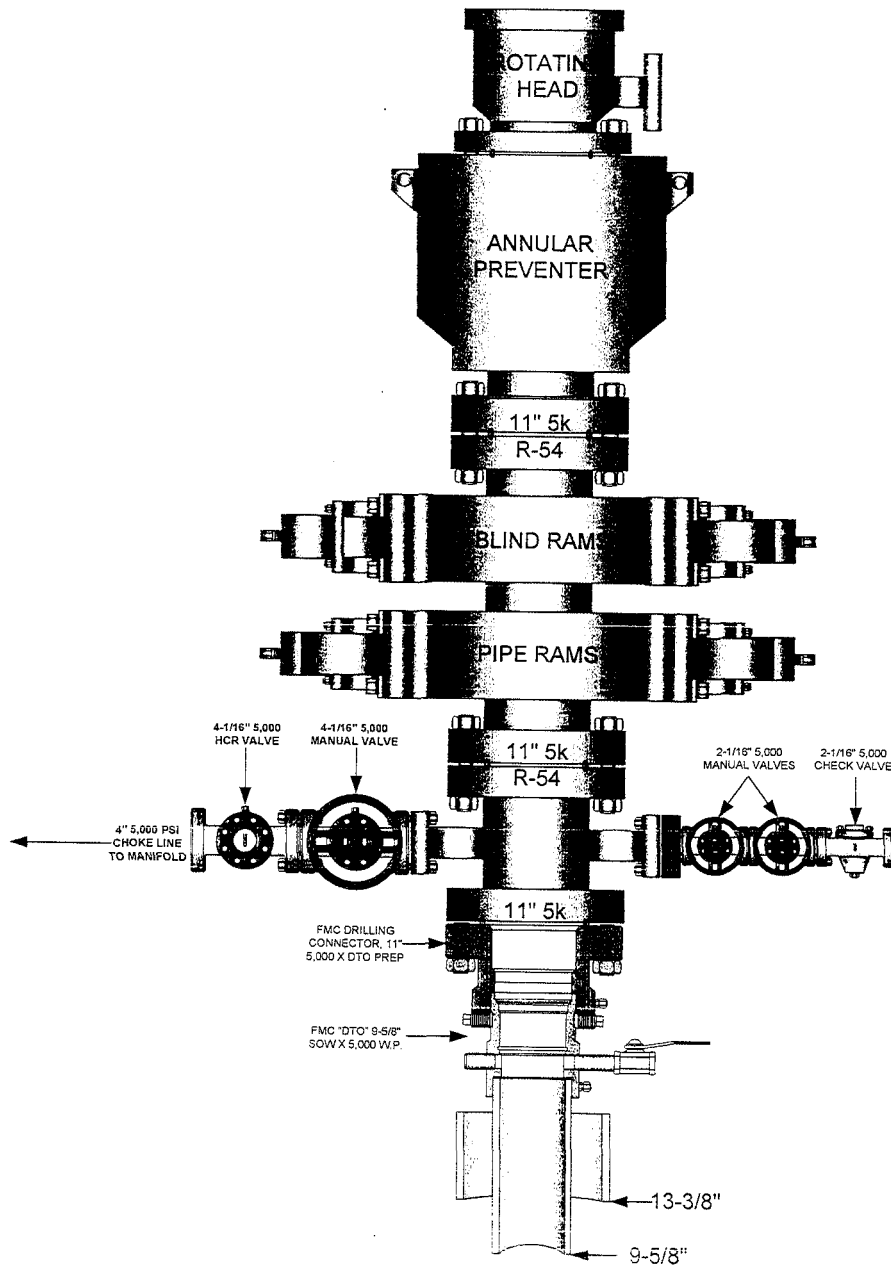
12. HAZARDOUS CHEMICALS:

No chemicals subject to reporting under SARA title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

(Attachment: BOP Schematic Diagram)

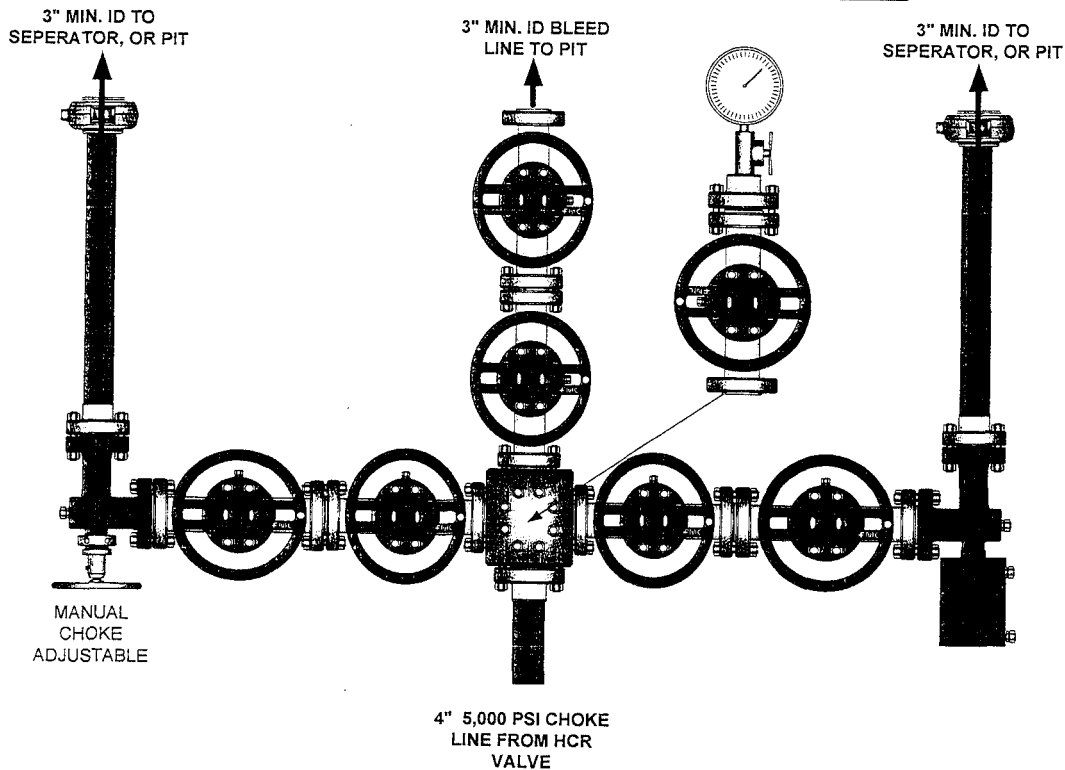
EOG RESOURCES 11" 5,000 PSI W.P. BOP
CONFIGURATION

PAGE 1 OF 2



EOG RESOURCES CHOKE MANIFOLD CONFIGURATION
W/ 5,000 PSI WP VALVES

PAGE 2 OF 2



Testing Procedure:

1. BOP will be tested with a professional tester to conform to Onshore Order #2.
2. Blind and Pipe rams will be tested to rated working pressure, 5,000 psi.
3. Annular Preventer will be tested to 50% working pressure, 2,500 psi.
4. Casing will be tested to 0.22 psi / ft. or 1,500 psi. Not to exceed 70% of burst strength, whichever is greater.
5. All lines subject to well pressure will be tested to the same pressure as blind and pipe rams.
6. All BOPE specifications and configurations will meet Onshore Order #2 requirements.

**CONDITIONS OF APPROVAL
FOR THE SURFACE USE PROGRAM OF THE
APPLICATION FOR PERMIT TO DRILL**

Company/Operator:	<u>EOG Resources, Inc.</u>
Well Name & Number:	<u>Natural Cotton 59-29</u>
Lease Number:	<u>U-0581</u>
Location:	<u>1211' FNL & 369' FEL, NE/NE, Sec. 29, T9S, R21E, S.L.B.&M., Uintah County, Utah</u>
Surface Ownership:	<u>Federal</u>

NOTIFICATION REQUIREMENTS

Location Construction - forty-eight (48) hours prior to construction of location and access roads.

Location Completion - prior to moving on the drilling rig.

Spud Notice: - at least twenty-four (24) hours prior to spudding the well.

Casing String and
Cementing - twenty-four (24) hours prior to running casing and cementing all casing strings.

BOP and related
Equipment Tests - twenty-four (24) hours prior to running casing and tests.

First Production
Notice - within five (5) business days after new Well begins or production resumes after Well has been off production for more than ninety (90) days.

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

THIRTEEN POINT SURFACE USE PROGRAM

1. EXISTING ROADS

- A. See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.
- B. The proposed well site is located approximately 14.72 miles southeast of Ouray, Utah - See attached TOPO Map "A".
- C. Refer to attached Topographic Map "A" showing labeled access route to location.
- D. Existing roads will be maintained and repaired as necessary. No off lease Right-of-Way will be required.

2. PLANNED ACCESS ROAD

- A. The access road will be approximately 80 feet in length. See attached TOPO Map "B".
- B. The access road has a 30 foot ROW w/ 18 foot running surface.
- C. Maximum grade on access road will be 8%.
- D. No turnouts will be required.
- E. Road drainage crossings shall be of the typical dry creek drainage crossing type.
- F. No culverts, bridges, or major cuts and fills will be required.
- G. The access road will be dirt surface.
- H. No gates, cattleguards, or fences will be required or encountered.

New or reconstructed roads will be centerlined - flagged at time of location staking.

The road shall be upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Upgrading shall include ditching, drainage, graveling, crowning, and capping the roadbed as necessary to provide a well-constructed safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot Right-of-Way will not be allowed.

Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossings nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by run off water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.

As operator, EOG Resources, Inc. shall be responsible for all maintenance on cattleguards, or gates associated with this oil and/or gas operation.

3. **LOCATION OF EXISTING WELLS WITHIN A ONE MILE RADIUS OF PROPOSED WELL LOCATION**

- A. Abandoned wells - 2*
- B. Producing wells - 39*
- C. Shut in wells - 2*

(*See attached TOPO map "C" for location)

4. **LOCATION OF EXISTING AND/OR PROPOSED FACILITIES**

A. **ON WELL PAD**

- 1. Production facilities will be set on location if the well is successfully completed for production. Facilities will consist of wellhead valves, combo separator-dehy unit with meter, 300 Bbl vertical or 200 Bbl low profile, condensate tank, and attaching piping.
- 2. Gas gathering lines - A 4" gathering line will be buried from dehy to the edge of the location.

B. **OFF WELL PAD**

- 1. Proposed location of attendant off pad flowlines shall be flagged prior to archaeological clearance.
- 2. A 4" OD steel above ground natural gas pipeline will be laid approximately 732' from proposed location to a point in the SE/NE of Section 29, T9S, R21E, where it will tie into Questar Pipeline Co.'s existing line. Proposed pipeline crosses Federal lands, thus a Right-of-Way grant will be required.
- 3. Proposed pipeline will be a 4" OD steel, welded line laid on the surface.
- 4. Protective measures and devices for livestock and wildlife will be taken and/or installed where required.

If storage facilities/tank batteries are constructed on this lease, the facility/battery or the well pad shall be surrounded by a containment dike of sufficient capacity to contain, at a minimum, the entire contents of the largest tank within the facility/battery.

The production facilities will be placed on the Northeast side of the location.

All permanent (on site for six months or longer) structures constructed or installed (including pumping units) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee.

All facilities will be painted within 6 months of installation. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

The required paint color is Carlsbad Canyon.

If at any time the facilities located on public land and authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change), BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental or other financial obligation as determined by the authorized officer.

5. **LOCATION & TYPE OF WATER SUPPLY**

- A. Water supply will be from Ouray Municipal Water Plant at Ouray, Utah, and/or Target Trucking Inc.'s water source in the SW/SW, Sec. 35, T9S, R22E, Uintah County, Utah (State Water Right #49-1501). Produced water from the Chapita Wells and Stagecoach Units will also be used.
- B. Water will be hauled by a licensed trucking company.
- C. No water well will be drilled on lease.

6. **SOURCE OF CONSTRUCTION MATERIAL**

- A. All construction material for this location and access road will be of native borrow and soil accumulated during the construction of the location.
- B. All construction material will come from Federal Land.
- C. No mineral materials will be required.

7. **METHODS OF HANDLING WASTE DISPOSAL**

A. METHODS AND LOCATION

- 1. Cuttings will be confined in the reserve pit.
- 2. A portable toilet will be provided for human waste during the drilling and completion of the well. Disposal will be at the Vernal sewage disposal plant.
- 3. Burning will not be allowed. Trash and other waste material will be contained in a wire mesh cage and disposed of at the Uintah County Landfill.
- 4. Produced wastewater will be confined to a lined pit or storage tank for a period not to exceed 90 days after initial production. After the 90 day period, the produced water will be contained in a tank on location and then disposed of at one of the following three locations: Natural Buttes Unit 21-20B SWD, Ace Disposal, or EOG Resources, Inc.

drilling operations (Chapita Wells Unit, Natural Buttes Unit & Stagecoach Unit).

5. All chemicals will be disposed of at an authorized disposal site. Drip pans and absorbent pads will be used on the drilling rig to avoid leakage of oil to the pit.
- B. Water from drilling fluids and recovered during testing operations will be disposed of by either evaporating in the reserve pit or be removed and disposed of at an authorized disposal site. Introduction of well bore hydrocarbons to the reserve pit will be avoided by flaring them off in the flare pit at the time of recovery.

On BLM administered land:

The reserve pit will be constructed so as not to leak, break, or allow discharge. If the reserve pit requires padding prior to lining (due to rocky conditions) felt padding will be used.

The reserve pit shall be lined with felt and a 12 mill plastic liner.

8. **ANCILLARY FACILITIES**

- A. No airstrips or camps are planned for this well.

9. **WELLSITE LAYOUT**

- A. Refer to attached well site plat for related topography cuts and fills and cross sections.
- B. Refer to attached well site plat for rig layout and soil material stockpile location as approved on On-site.
- C. Refer to attached well site plat for rig orientation, parking areas, and access road.
- D. The approved interim seed mixture for this location is:
Hi-Crest Crested Wheatgrass – 9 pounds per acre
Kochia Prostrata – 3 pounds per acre.

The final abandonment seed mixture for this location is:

Gardner Salt Bush – 4 pounds per acre
Shad Scale – 3 pounds per acre
Hi-Crest Crested Wheat Grass – 2 pounds per acre

The reserve pit will be located on the Southwest corner of the location. The flare pit will be located downwind of the prevailing wind direction on the West side of the location, a minimum of 100 feet from the well head and 30 feet from the reserve pit fence.

The stockpiled pit topsoil will be stored separate from the location topsoil Northwest of Corner #5. The stockpiled location topsoil will be stored North of Corner #7, as well as from the access road to Corner #1. Upon

completion of construction, the stockpiled topsoil from the location will be broadcast seeded with the approved seed mixture for this location and then walked down with a Caterpillar tractor.

Access to the well pad will be from the South.

Corners #2, #6, & #8 will be rounded off to minimize excavation.

FENCING REQUIREMENTS:

All pits will be fenced according to the following minimum standards:

- A. Thirty-nine inch net wire shall be used with at least one strand of barbed wire on top of the net wire. (Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence).
- B. The net wire shall be no more than 2 inches above the ground. The barbed wire strand shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- C. Corner posts shall be cemented and/or braced in such a manner as to keep the fence tight at all times.
- D. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 feet.
- E. All wire shall be stretched by using a stretching device before it is attached to the corner posts.

The reserve pit fencing will be on the three sides during drilling operations and on the fourth side when the rig moves off the location. Pits will be fenced and maintained until clean-up.

Each existing fence to be crossed by the access road shall be braced and tied off before cutting so as to prevent slacking of the wire. The opening shall be closed temporarily as necessary during construction to prevent the escape of livestock, and, upon completion of construction, the fence shall be repaired to BLM or SMA specifications. A cattleguard with an adjacent 16 foot gate shall be installed in any fence where a road is to be regularly traveled. If the well is a producer, the cattleguards (shall/shall not) be permanently mounted on concrete bases. Prior to crossing any fence located on Federal land, or any fence between Federal land and private land, the operator will contact the BLM, who will in turn contact the grazing permittee or owner of said fence and offer him/her the opportunity to be present when the fence is cut in order to satisfy himself/herself that the fence is adequately braced and tied off.

10. PLANS FOR RESTORATION OF SURFACE

A. PRODUCING LOCATION

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash, and junk not required for production.

Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with CFR 3162.7-1.

If a plastic nylon reinforced liner is used, it shall be torn and perforated before backfilling of the reserve pit.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The stockpiled pit topsoil will then be spread over the pit area and broadcast seeded with the prescribed seed mixture for this location. The seeded area will then be walked down with a cat.

B. DRY HOLE/ABANDONED LOCATION

At such time as the well is plugged and abandoned, the operator will submit a subsequent report of abandonment and the BLM will attach the appropriate surface rehabilitation conditions of approval.

11. SURFACE OWNERSHIP

Access road: Federal

Location: Federal

12. OTHER INFORMATION

A. EOG Resources, Inc. will inform all persons in the area who are associated with this project that they are subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator will immediately stop work that might further disturb such materials, and contact the AO. Within five working days the AO will inform the operator as to:

- whether the materials appear eligible for the National Register of Historic Places;
- the mitigation measures the operator will likely have to undertake before the site can be used.
- a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wished, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials that may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that required mitigation has been completed, the operator will then be allowed to resume construction.

- B. As operator, EOG Resources, Inc. will control noxious weeds along Right-of-Ways for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds will be obtained from the BLM, or the appropriate County Extension Office. On BLM administered land, a Pesticide Use proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.
- C. The drilling rig and ancillary equipment will be removed from the location prior to commencement of completion operations. Completion operations will be conducted utilizing a completion/workover rig.
- D. Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on BLM lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities. (The BLM does not seek to compete with private industry. There are commercial facilities available for stacking and storing drilling rigs.)

Additional Surface Stipulations

None

LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION

PERMITTING AGENT

Ed Trotter
P.O. Box 1910
Vernal, UT 84078
Telephone: (435)789-4120
Fax: (435)789-1420

DRILLING OPERATIONS

Donald Presenkowski
EOG Resources, Inc.
P.O. Box 250
Big Piney, WY 83113
Telephone: (307)276-4865

All lease or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approval plan of operations, and any applicable Notice to Lessees. EOG Resources, Inc. is fully

responsible for the actions of their subcontractors. A copy of these conditions will be furnished to the field representative to insure compliance.

A copy of the approved APD and ROW grant, if applicable, shall be on location during construction of the location and drilling activities.

Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions that presently exist; that the statements made in the Plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by EOG Resources, Inc. and its contractors and subcontractors in conformity with this Plan and the terms and conditions under which it is approved.

Please be advised that EOG Resources, Inc. is considered to be the operator of the **Natural Cotton 59-29 Well, located in the NE/NE of Section 29, T9S, R21E, Uintah County, Utah; Lease #U-0581;** and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond Coverage is provided under Bond #NM 2308.

1-18-2006

Date

Lee J. Smith
Agent

**Request for Exception to Buried Pipeline Requirement
For the Natural Cotton 59-29
NE/NE, Sec. 29, T9S, R21E
Lease Number U-0581**

EOG Resources, Inc. requests a variance to the requirement for a buried gas sales pipeline for the referenced well for the following reasons:

1. In order to bury pipe on the gas sales line route, additional surface disturbance relative to surface pipeline would be approximately 0.84 acres.
2. Ripping, cutting, or blasting of rock would be required, which in turn would leave long-term spoils on the right-of-way.
3. The disturbed soils on the pipeline corridor would be difficult to rehabilitate and would be susceptible to noxious weed infestation, which in turn would be hazardous to livestock.
4. Supplemental soil to replace removed rock would need to be hauled in from other locations to provide bedding and cover material.
5. The buried pipe would need to be coated and/or wrapped to minimize the potential for corrosion-caused gas leaks and blowouts.
6. Burying of pipe next to access roads increases the potential for damage, explosion, and fire when using graders and/or dozers for snow removal or road rehabilitation.
7. Surface equipment, including risers with blow down valves and pipeline markers will be required, adding to negative visual impact.
8. Disturbance of previously rehabilitated pipeline corridor could be necessary if increasing well density requires crossing of the corridor or location construction on the corridor.
9. Pipeline corridors subject to poor rehabilitation characteristics are susceptible to high rates of soil erosion.
10. Buried shallow pipelines in low areas subject to the occasional presence of standing water are susceptible to movement and surfacing.

EOG RESOURCES, INC.

NATURAL COTTON #59-29 SECTION 29, T9S, R21E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; TURN LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 6.9 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 5.0 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN LEFT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN RIGHT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 1.4 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN LEFT AND PROCEED IN A NORTHERLY, THEN NORTHWESTERLY DIRECTION APPROXIMATELY 1.1 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NORTHEASTERLY DIRECTION APPROXIMATELY 80' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 45.7 MILES.

EOG RESOURCES, INC.
NATURAL COTTON #59-29
 LOCATED IN UINTAH COUNTY, UTAH
 SECTION 29, T9S, R21E, S.L.B.&M.

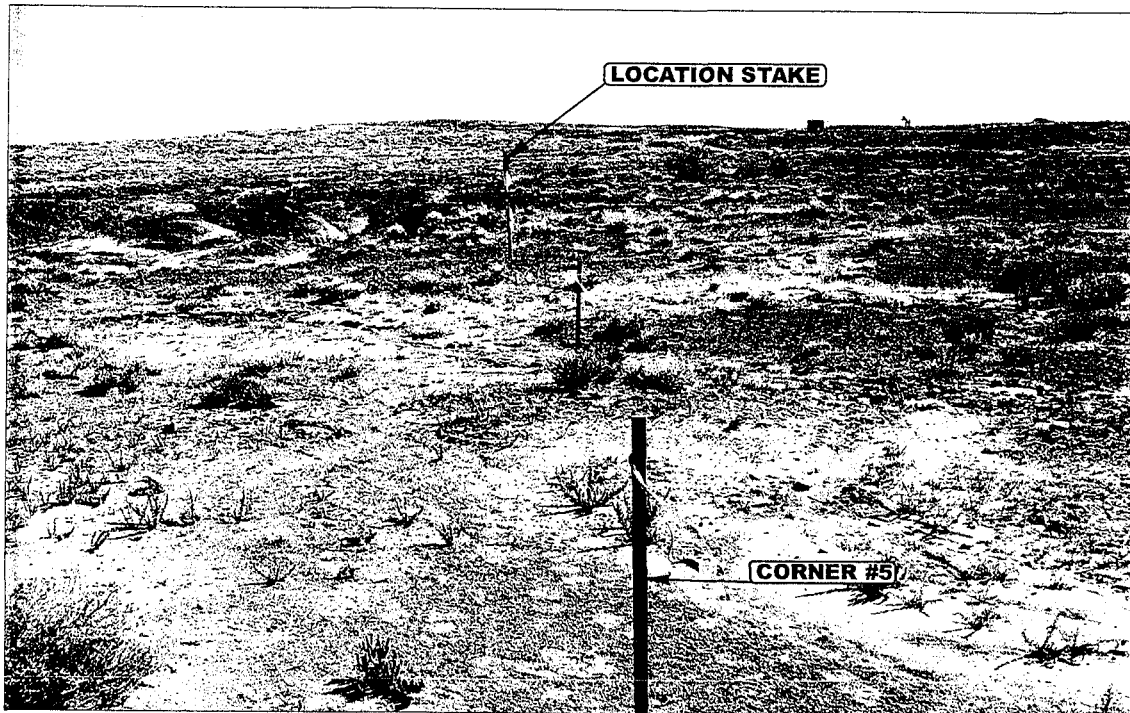


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY

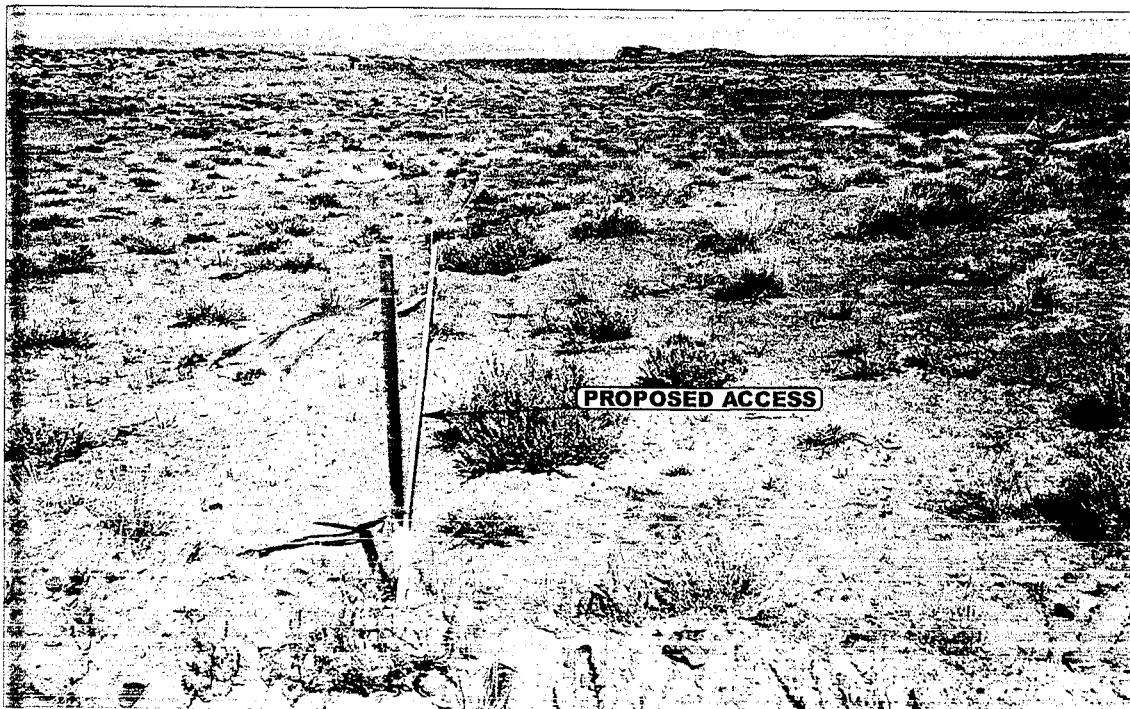


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHEASTERLY



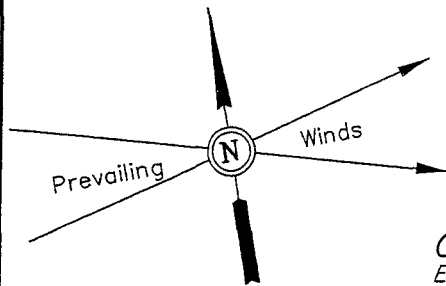
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 435-789-1017 uels@uelsinc.com

LOCATION PHOTOS		10	15	05	PHOTO
		MONTH	DAY	YEAR	
TAKEN BY: T.B.	DRAWN BY: C.P.	REVISED: 00-00-00			

EOG RESOURCES, INC.

LOCATION LAYOUT FOR

NATURAL COTTON #59-29
SECTION 29, T9S, R21E, S.L.B.&M.
1121' FNL 369' FEL

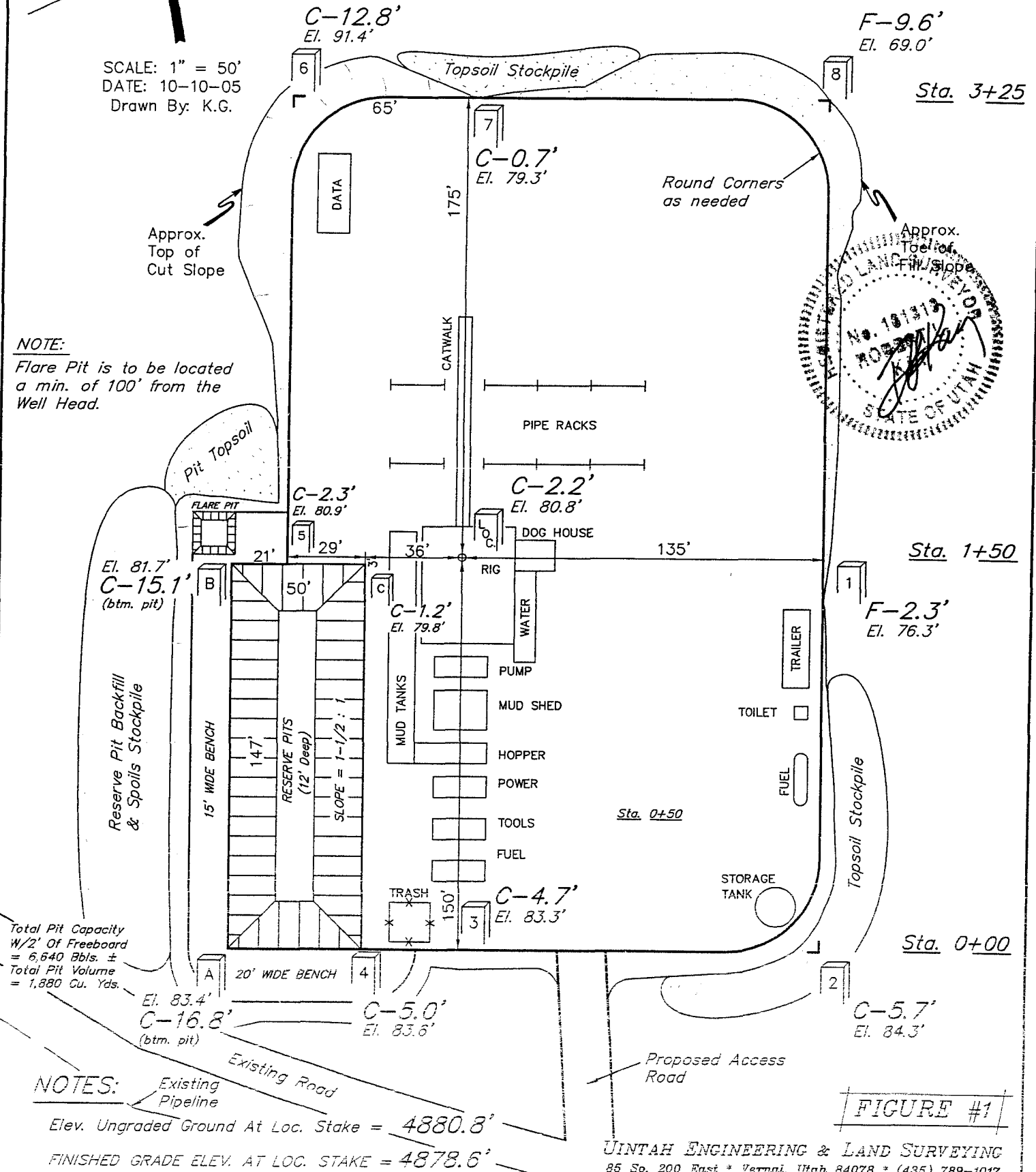


SCALE: 1" = 50'
DATE: 10-10-05
Drawn By: K.G.

Approx.
Top of
Cut Slope

NOTE:

Flare Pit is to be located
a min. of 100' from the
Well Head.



NOTES:

Existing
Pipeline

Existing Road

Proposed Access
Road

FIGURE #1

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

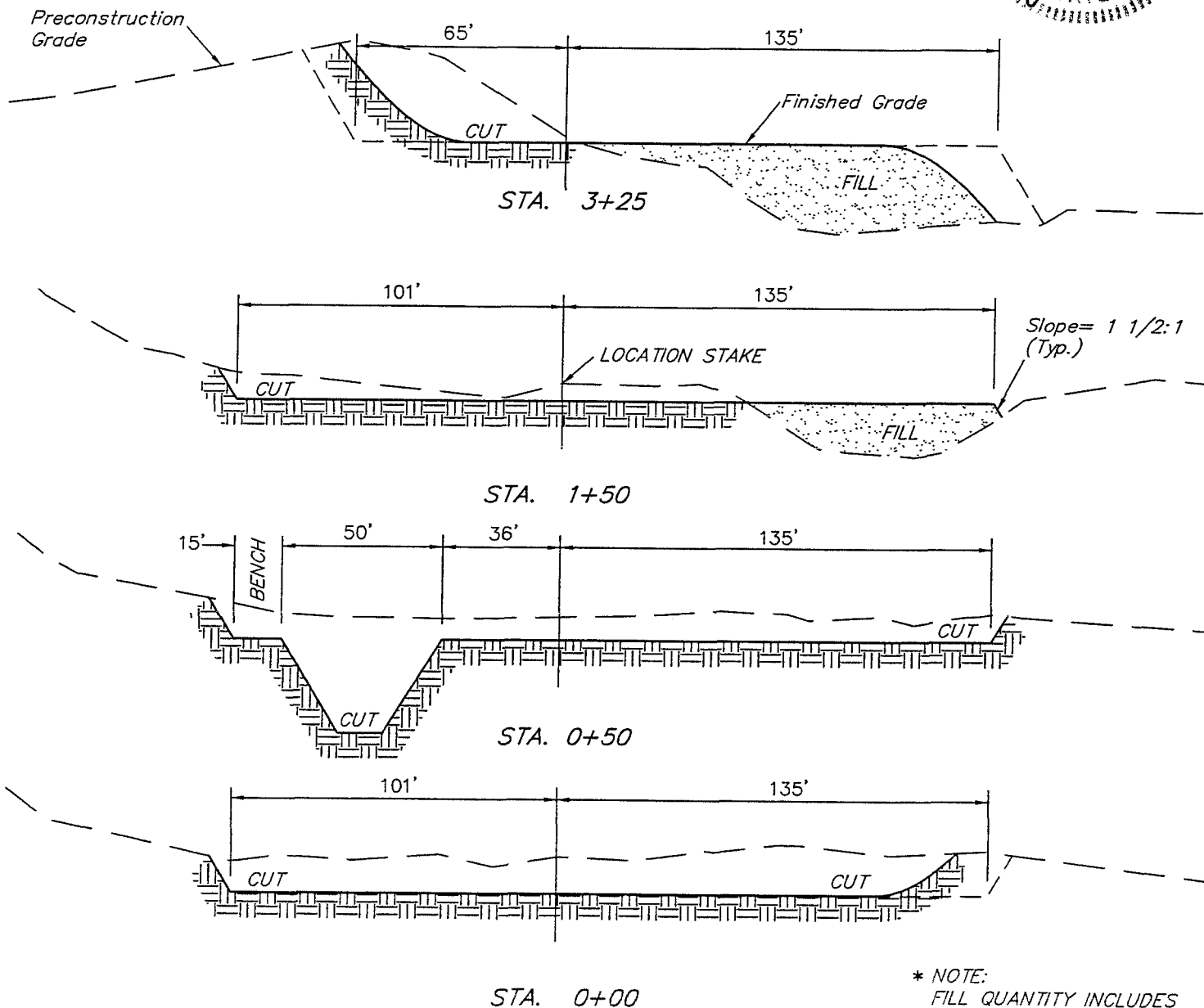
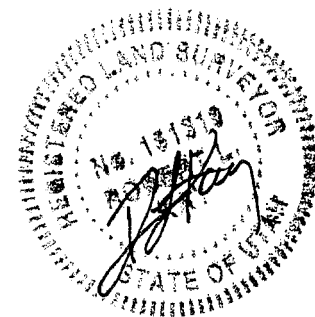
EOG RESOURCES, INC.

FIGURE #2

TYPICAL CROSS SECTIONS FOR
NATURAL COTTON #59-29
SECTION 29, T9S, R21E, S.L.B.&M.
1121' FNL 369' FEL

1" = 20'
X-Section
Scale
1" = 50'

DATE: 10-10-05
Drawn By: K.G.



* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

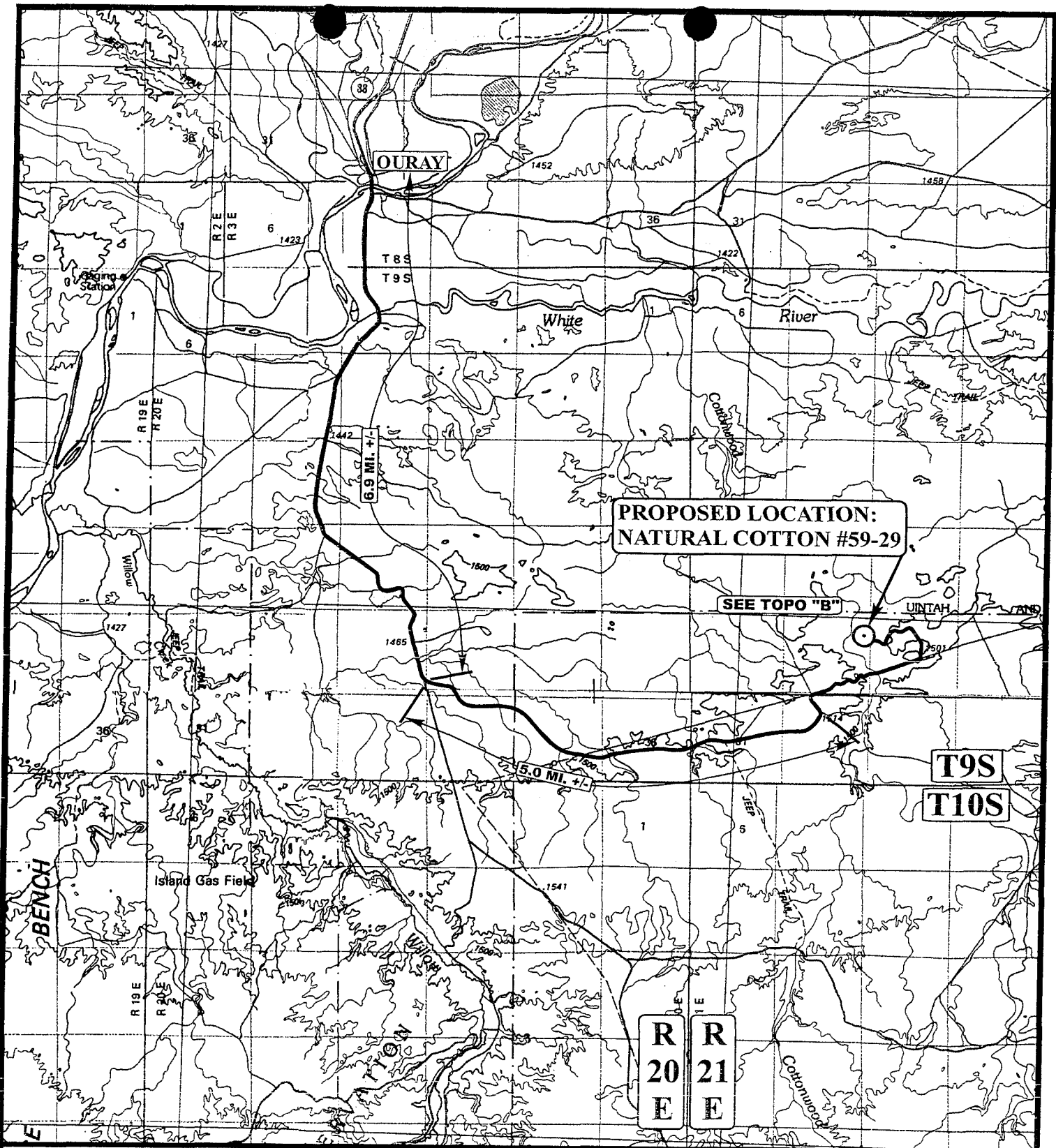
APPROXIMATE YARDAGES

CUT
(6") Topsoil Stripping = 1,550 Cu. Yds.
Remaining Location = 6,890 Cu. Yds.

TOTAL CUT = 8,440 CU.YDS.
FILL = 5,950 CU.YDS.

EXCESS MATERIAL = 2,490 Cu. Yds.
Topsoil & Pit Backfill = 2,490 Cu. Yds.
(1/2 Pit Vol.)
EXCESS UNBALANCE = 0 Cu. Yds.
(After Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017



**PROPOSED LOCATION:
NATURAL COTTON #59-29**

SEE TOPO "B"

**T9S
T10S**

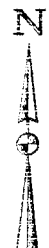
**R
20
E** **R
21
E**

LEGEND:

○ PROPOSED LOCATION



Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813



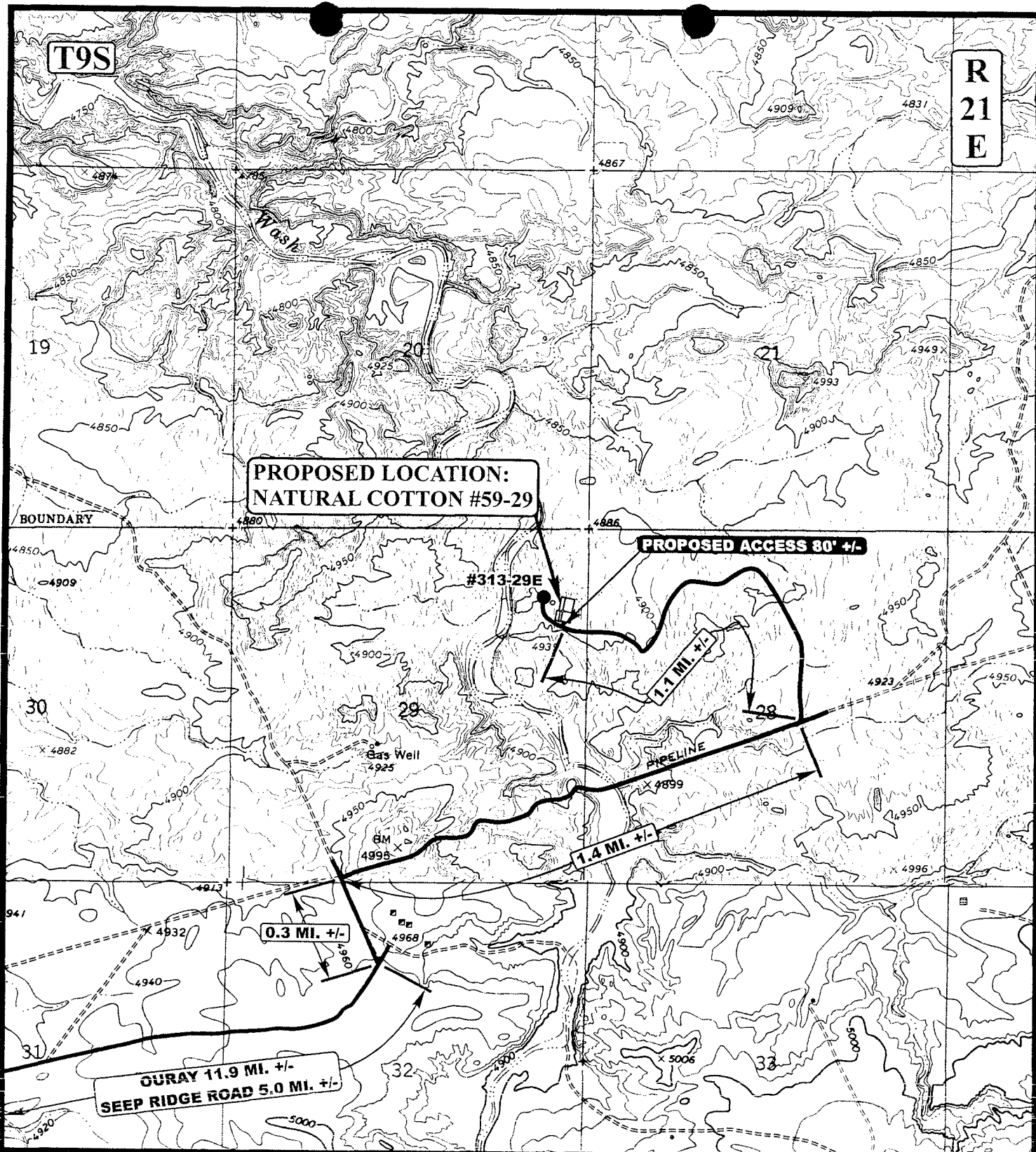
EOG RESOURCES, INC.

NATURAL COTTON #59-29
SECTION 29, T9S, R21E, S.L.B.&M.
1211' FNL 369' FEL

TOPOGRAPHIC 10/15/05
MAP MONTH DAY YEAR

SCALE: 1:100,000 **DRAWN BY: C.P.** **REVISED: 00-00-00**





LEGEND:

EXISTING ROAD
PROPOSED ACCESS ROAD



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813



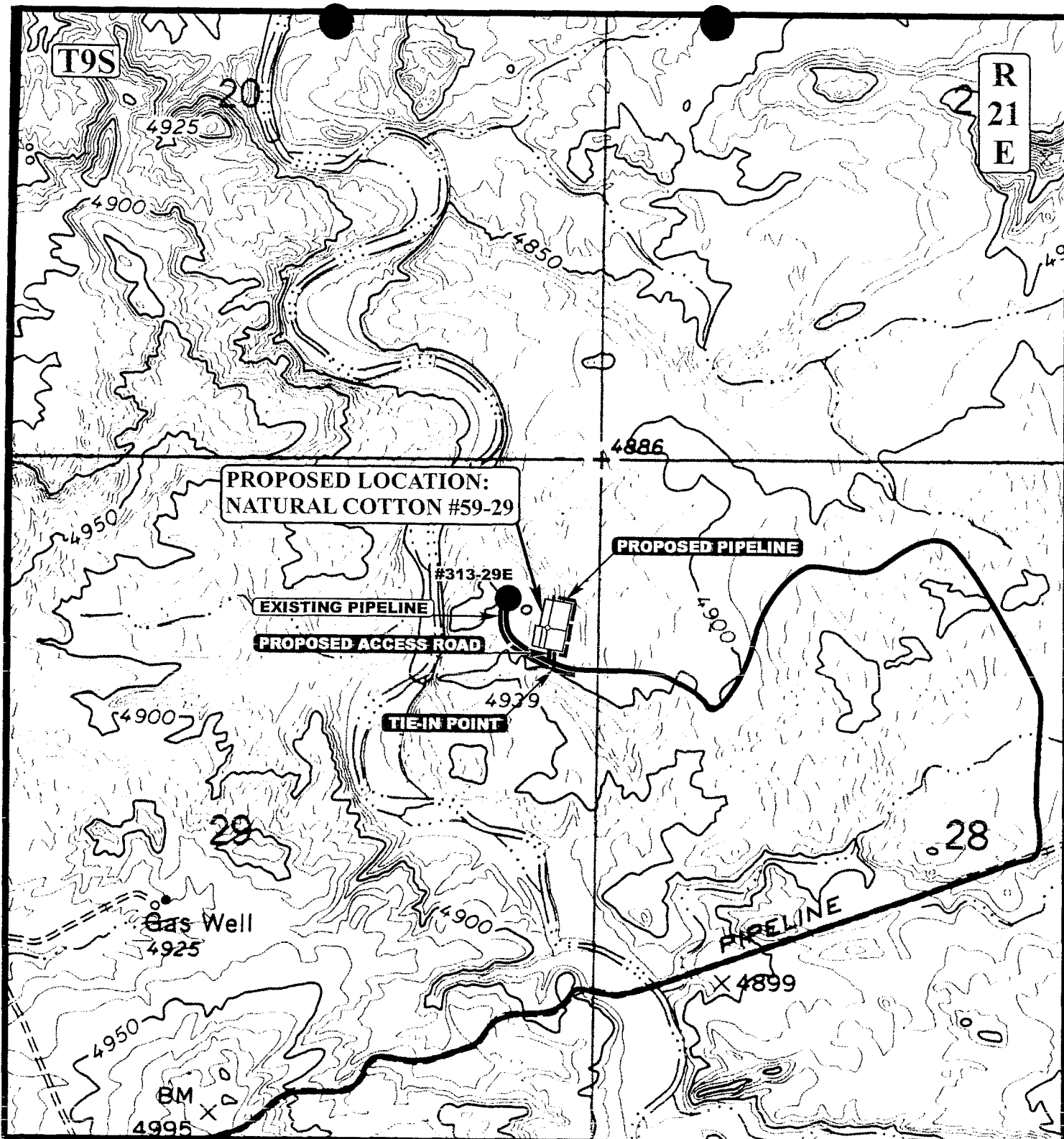
EOG RESOURCES, INC.

NATURAL COTTON #59-29
SECTION 29, T9S, R21E, S.L.B.&M.
1211' FNL 369' FEL

TOPOGRAPHIC **10/15/05**
MAP **MONTH DAY YEAR**

SCALE: 1" = 2000' **DRAWN BY: C.P.** **REVISED: 00-00-00**





APPROXIMATE TOTAL PIPELINE DISTANCE = 732' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- PROPOSED PIPELINE



EOG RESOURCES, INC.

NATURAL COTTON #59-29
SECTION 29, T9S, R21E, S.L.B.&M.
1211' FNL 369' FEL



Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC 10/15/05
MAP MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: C.P. REVISED: 00-00-00



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 02/03/2006

API NO. ASSIGNED: 43-047-37691

WELL NAME: NATURAL COTTON 59-29

OPERATOR: EOG RESOURCES INC (N9550)

CONTACT: ED TROTTER

PHONE NUMBER: 435-789-4120

PROPOSED LOCATION:

NENE 29 090S 210E

SURFACE: 1211 FNL 0369 FEL

BOTTOM: 1211 FNL 0369 FEL

COUNTY: Uintah

LATITUDE: 40.01093 LONGITUDE: -109.5667

UTM SURF EASTINGS: 622329 NORTHINGS: 4429744

FIELD NAME: NATURAL BUTTES (630)

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal

LEASE NUMBER: U-0581

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: CSLPK

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. NM-2308)
☒ Potash (Y/N)
☒ Oil Shale 190-5 (B) or 190-3 or 190-13
☒ Water Permit
(No. 49-1501)
☒ RDCC Review (Y/N)
(Date:)
☒ Fee Surf Agreement (Y/N)
☒ Intent to Commingle (Y/N)

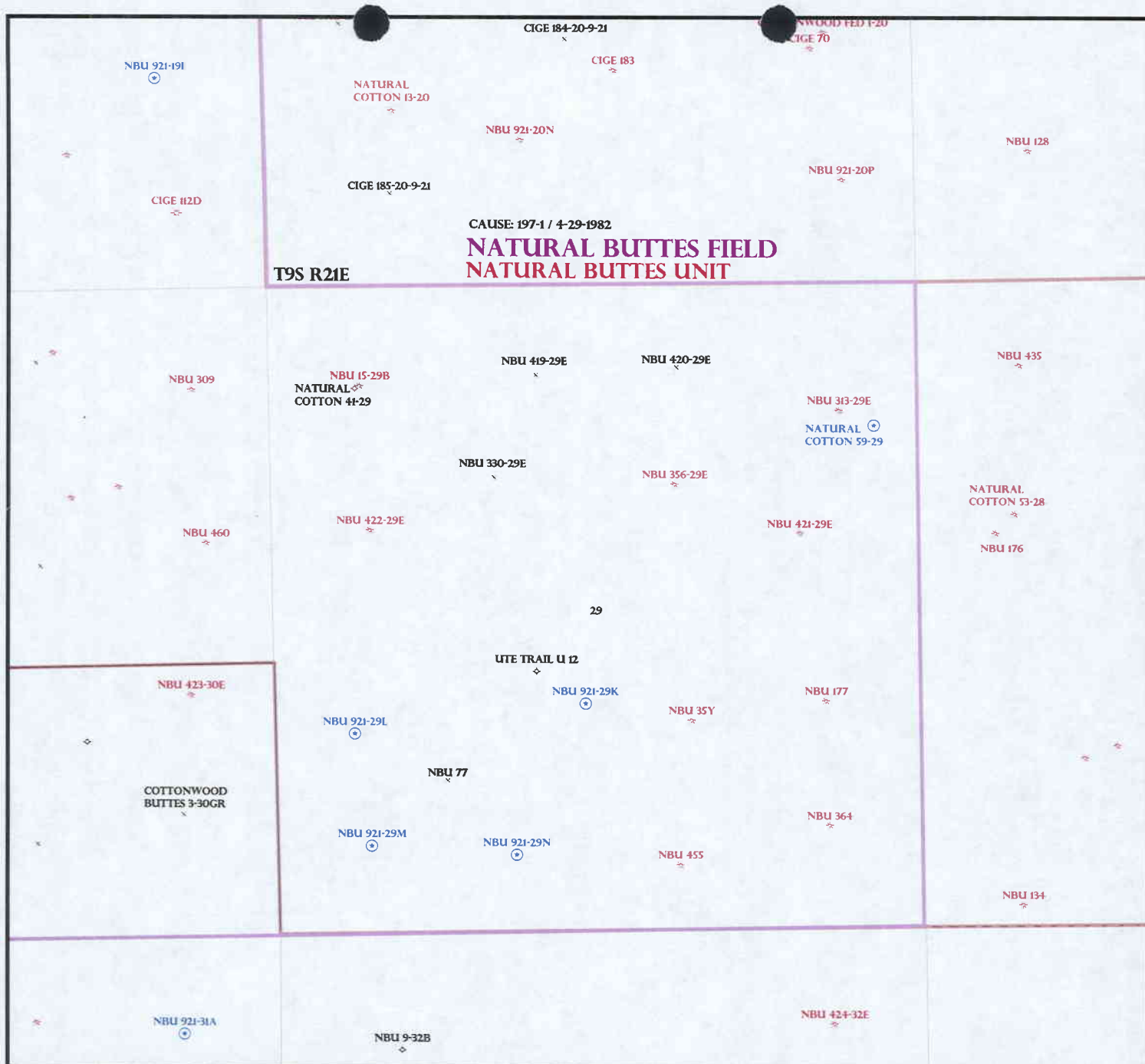
LOCATION AND SITING:

___ R649-2-3.
Unit: NATURAL BUTTES *NONPA*
___ R649-3-2. General
Siting: 460' From Qtr/Qtr & 920' Between Wells
___ R649-3-3. Exception
☒ Drilling Unit
Board Cause No: 197-1
Eff Date: 4-19-1982
Siting: 1,000' Pr ext drilling u bary
___ R649-3-11. Directional Drill

COMMENTS:

STIPULATIONS:

1- Federal Approval
2- Oil Shale



OPERATOR: EOG RESOURCES INC (N9550)

SEC: 29 T. 9S R. 21E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH

CAUSE: 197-1 / 4-29-1982

Field Status

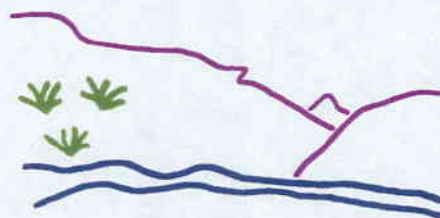
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Unit Status

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Wells Status

- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY
DATE: 7-FEBRUARY-2006



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

February 8, 2006

EOG Resources, Inc.
P O Box 1815
Vernal, UT 84078

Re: Natural Cotton 59-29 Well, 1211' FNL, 369' FEL, NE NE, Sec. 29, T. 9 South,
R. 21 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-37691.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: EOG Resources, Inc.
Well Name & Number Natural Cotton 59-29
API Number: 43-047-37691
Lease: U-0581

Location: NE NE Sec. 29 T. 9 South R. 21 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.

5. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

February 8, 2006
AMENDED

EOG Resources, Inc.
P O Box 1815
Vernal, UT 84078

Re: Natural Cotton 59-29 Well, 1211' FNL, 369' FEL, NE NE, Sec. 29, T. 9 South,
R. 21 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-37691.

Sincerely,

Gil Hunt
Associate Director

mf
Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: EOG Resources, Inc.

Well Name & Number Natural Cotton 59-29

API Number: 43-047-37691

Lease: U-0581

Location: NE NE **Sec.** 29 **T.** 9 South **R.** 21 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.

5. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.



EOG Resources, Inc.
600 Seventeenth Street
Suite 1000N
Denver, CO 80202
Main: 303-572-9000
Fax: 303-824-5400

March 20, 2006

Kerr-McGee Oil & Gas Onshore LP
1999 Broadway, Suite 3700
Denver, Colorado 80202

Attention: Mr. W. Chris Latimer

RE: Request for Consent to
Exception Well Location
Natural Cotton 59-29
NE/4NE/4 of Sec. 29-9S-21E, SLM
Uintah County, Utah
Natural Buttes Prospect
1540-G06, 0050622-000

Gentlemen:

EOG Resources, Inc. ("EOG") has staked and proposes to drill the Natural Cotton 59-29, a 5,100' Green River formation test well, at a location 1,211' FNL, 369' FEL (NE/4NE/4) of Section 29, Township 9 South, Range 21 East, SLM, Uintah County, Utah (see enclosed copy of plat).

The State of Utah Board of Oil, Gas and Mining's Order in Cause No. 197-1 established 160-acre drilling units for the development and production of gas and associated hydrocarbons from the Green River formation and prescribes that the location of the permitted well in each drilling unit shall be not less than 1000' from the exterior boundary of such drilling unit.

Inasmuch as the location of the proposed Natural Cotton 59-29 well is not in compliance with this spacing order, EOG will request the State of Utah Division of Oil, Gas and Mining's administrative approval of such location as an exception location in accordance with General Rule R649-3-3. Such Rule requires EOG to submit written consent from all owners of directly or diagonally offsetting drilling units.

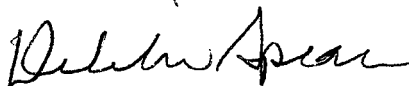
Therefore, if Kerr-McGee Oil & Gas Onshore LP has no objections to EOG's drilling its proposed Green River test, the Natural Cotton 59-29 well at the above-described location, EOG respectfully requests you so indicate such written consent to same by having this letter dated and executed in the spaces provided below and returning one (1) originally executed copy to my attention at the letterhead address at your very earliest opportunity.

Kerr-McGee Oil & Gas Onshore LP
March 20, 2006
Page 2 of 2

Thank you for your favorable consideration of this request. If you have any questions, please don't hesitate to call the undersigned at (303) 824-5430.

Sincerely,

EOG RESOURCES, INC.



Debbie Spears
Lead Land Technician

/das
exloc\naturalcotton59-29


On this 22nd day of MARCH, 2006, Kerr-McGee Oil & Gas Onshore LP hereby grants its written consent to EOG Resources, Inc.'s drilling the proposed Green River test, the Natural Cotton 59-29, at a location 1,211' FNL, 369' FEL (NE/4NE/4) of Section 29, Township 9 South, Range 21 East, SLM, Uintah County, Utah, which location is an exception to State of Utah Board of Oil, Gas and Mining's Order in Cause No. 197-1.

KERR-McGEE OIL & GAS ONSHORE LP

By: _____



Title: _____



RECEIVED MAY 6 1985

BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES AND ENERGY
in and for the STATE OF UTAH

130-606

IN THE MATTER OF THE APPLICATION)
OF COASTAL OIL & GAS CORPORATION)
FOR AN ORDER ESTABLISHING 160-ACRE)
DRILLING AND SPACING UNITS FOR)
LANDS IN THE NATURAL BUTTES AREA,)
UINTAH COUNTY, UTAH)

ORDER

CAUSE NO. 197-1

Pursuant to due notice by the Board of Oil, Gas and Mining dated April 5, 1982, this cause came on regularly for hearing before the Board of Oil, Gas and Mining, Department of Natural Resources and Energy of the State of Utah, at 10:00 a.m., on Thursday, April 29, 1982, in the Governor's Board Room, State Capitol Building, Salt Lake City, Utah.

The following Board Members were present:

Charles R. Henderson, Chairman

E. Steele McIntyre

Edward T. Beck

Margaret Bird

John L. Bell

Robert R. Norman

Herm Olsen

Appearances were made as follows:

For Coastal Oil & Gas Corporation: Robert Irwin, Esq.

For the U.S.G.S.: Ed Gynn

For TOSCO: Phillip Lear, Esq.

NOW, THEREFORE, the Board having fully considered all motions, the testimony adduced, and the exhibits received at said hearing, and being fully advised in the premises, now makes and enters the following:

FINDINGS

1. That due and regular notice of the time, place and purpose of the hearing was given to all interested parties in the form and manner and within the time required by law and the rules and regulations of the Board.

2. That the Board has jurisdiction over all matters covered by said notice and over all parties interested therein and has the power and authority to make and promulgate the Order hereinafter set forth.

3. That one well within a 160 acre drilling unit will efficiently and economically drain the recoverable gas and associated hydrocarbons from

197-1

the hereinafter described lands, and that a 160 acre drilling unit is not larger than the maximum area that can be efficiently and economically drained by one well.

4. That for the purpose of this Order, the base of the Green River formation is defined as the stratigraphic equivalent of the correlation point established at the depth of 4,822 feet below Kelly Bushing in the Ute Trail #10 well drilled by DeKalb Petroleum Company in the NE/4 SW/4 of Section 34, Township 9 South, Range 21 East, S.L.M., Uintah County, Utah.

5. That horizontal drilling units should be established comprising each governmental one quarter section, or governmental lots corresponding thereto, i.e., 160 acres, more or less, for the interval described above in paragraph 4 covering the lands hereinafter described.

6. ~~That the location for each permitted well shall be not less than 1000 feet from the exterior boundary of each drilling unit.~~

7. That the area under consideration in this matter is underlain by oil shale and all wells drilled to the base of the Green River formation will penetrate said oil shale.

Pursuant to the foregoing Findings of Fact, the Board hereby makes the following

ORDER

1. The lands in Uintah County, State of Utah, known and believed to be underlain by gas and associated hydrocarbons that can be produced from the ~~Green River formations~~ are as follows:

Township 9 South, Range 20 East, SLBM
Sections 12 thru 15
Sections 21 thru 28
Sections 33 thru 36

Township 9 South, Range 21 East, SLBM
Sections 7 thru 35

Township 10 South, Range 20 East, SLBM
Sections 1 and 12

Township 10 South, Range 21 East, SLBM
Sections 2 thru 9

2. The 160-acre horizontal drilling units be and the same are hereby established covering the lands described above in paragraph 1 for the development and production of gas and associated hydrocarbons from the Green River formation.

3. That the location for each permitted well shall be not less than 1000 feet from the exterior boundary of each drilling unit.


4. That the base of the Green River formation is defined as the stratigraphic equivalent of the correlation point established at the depth of 4,822 feet below Kelly Bushing in the Ute Trail #10 well drilled by DeKalb Petroleum Company in the NE/4 SW/4 of Section 34, Township 9 South, Range 21 East, S.L.M., Uintah County, Utah.

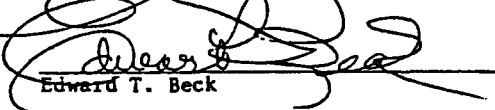
5. That any casing set into or through the oil shale section shall be cemented solidly through the oil shale section above the casing shoe and all production casing strings shall be cemented to the surface.

6. That the Board retains continuing jurisdiction over all matters covered by this Order and all other applicable orders and over all parties affected thereby and particularly that the Board retains and reserves continuing jurisdiction to make further orders as it may deem appropriate and as authorized by statute and applicable regulations.

ENTERED this 29th day of April, 1982.

BOARD OF OIL, GAS AND MINING

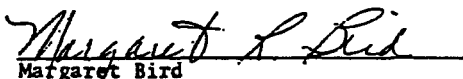

Charles R. Henderson, Chairman


Edward T. Beck

John L. Bell


Herm Olsen

E. Steel McIntyre


Margaret Bird

Robert R. Norman



EOG Resources, Inc.
600 Seventeenth Street
Suite 1000N
Denver, CO 80202
Main: 303-572-9000
Fax: 303-824-5400

March 28, 2006

State of Utah
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Attention: Ms. Diana Whitney

RE: Request for Exception to Location
and Siting of Wells
Natural Cotton 59-29
NE/4NE/4 of Sec. 29-9S-21E, SLM
Uintah County, Utah
Natural Buttes Prospect
1540-G06, 0050622-000

Ladies and Gentlemen:

Reference is made to that certain Order promulgated in Cause No. 197-1 for the development and production of gas and associated hydrocarbons from the Green River formation. Said spacing order established 160-acre drilling units covering, among other lands, the NE/4 of Section 29, Township 9 South, Range 21 East, SLM, Uintah County, Utah. The prescribed location of the permitted well therein shall not be less than 1,000' from the exterior boundary of each drilling unit.

EOG Resources, Inc. ("EOG") proposes and respectfully requests permission to drill the Natural Cotton 59-29, a 5,100' Green River test well, at a location 1,211' FNL, 369' FEL (NE/4NE/4) of Section 29, Township 9 South, Range 21 East, SLM, Uintah County, Utah. The subject well location was selected based on geology and EOG attempted to stake it at the most optimum location allowed by existing topography and other drilling operations in the area. Said location could not be staked in compliance with Cause No. 197-1. Therefore, EOG is requesting this exception location.

Enclosed herewith is a copy of the survey plat for the proposed well and another plat labeled Exhibit "A" which depicts the outlines of the 160-acre drilling units established in Cause No. 197-1, the location at which EOG requests permission to drill the proposed Natural Cotton 59-29 well, and the Green River formation wells which have been drilled in the area.

EOG and Kerr-McGee Oil & Gas Onshore LP ("Kerr-McGee") are the only owners of operating rights directly or diagonally offsetting the 160-acre drilling unit in which the Natural Cotton 59-29 would be drilled (see enclosed Exhibit "B"). A letter dated March 20, 2006, on which Kerr-McGee has evidenced its written consent to EOG's proposed drilling of the Natural Cotton 59-29 well at the requested exception location is also enclosed.

EOG respectfully requests the Utah Division of Oil, Gas and Mining review and grant administrative approval of this application for an exception well location and permission to drill the proposed Green River formation well described herein at its earliest opportunity.

If you have any questions or need any additional information, please do not hesitate to contact the undersigned.

Yours very truly,

EOG RESOURCES, INC.



Debbie Spears
Lead Land Technician

/das

Enclosures

M:\das\exceptionlocation\naturalcotton59-29.doc

cc: Ed Trotter (with copies of enclosures)
Denver Well File

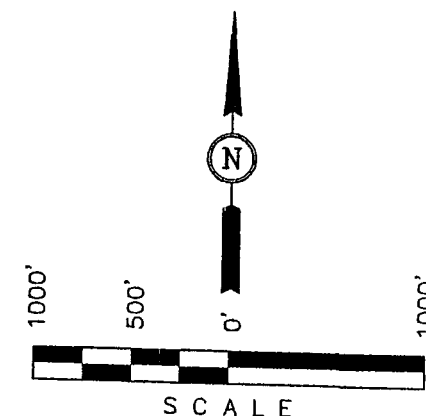
T9S, R21E, S.L.B.&M.

EOG RESOURCES, INC.

Well location, NATURAL COTTON #59-29, located as shown in the NE 1/4 NE 1/4 of Section 29, T9S, R21E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

TWO WATER TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN NE, QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5238 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 10-5-05	DATE DRAWN: 10-10-05
PARTY T.B. B.C. K.G.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE EOG RESOURCES, INC.	

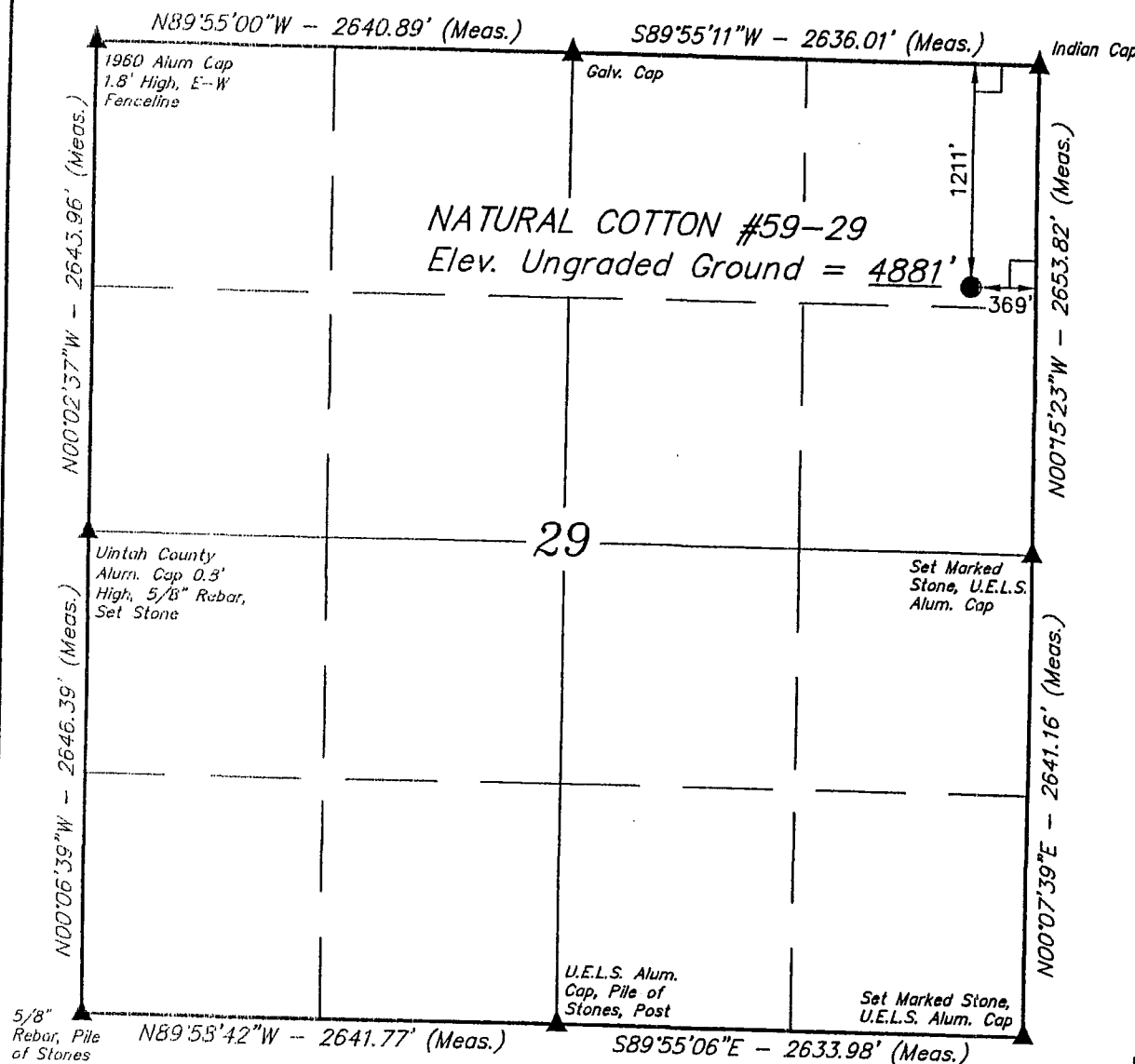
BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

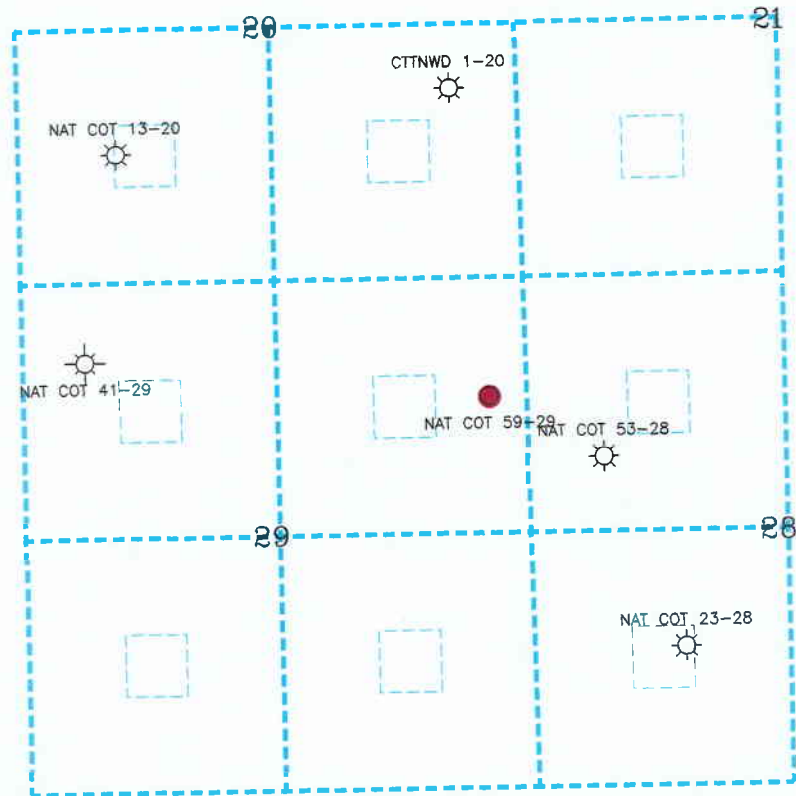
(NAD 83)
LATITUDE = 40°00'39.40" (40.010944)
LONGITUDE = 109°34'02.82" (109.567450)
(NAD 27)
LATITUDE = 40°00'39.53" (40.010981)
LONGITUDE = 109°34'00.34" (109.566761)

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.



R 21 E



----- Drilling Units established for production of gas and associated hydrocarbons from Green River Formation under Cause No. 197-1

□ Legal window within which a Green River gas well could be drilled in each Drilling Unit in compliance with order.

☀ ☀ ☀ Locations at which Green River wells have been drilled

● Location at which applicant requests permission to drill the proposed Natural Cotton 59-29
1211' FNL, 369 FEL, (NENE) of Sec. 29, T9S - R21E

Exhibit "A"

Scale: 1"=2000'

0 1/2 1 Mile



eog resources

Denver Division

Application for
Exception Well Location

Natural Cotton # 59-29 Well

UINTAH COUNTY, UTAH

Scale:
1"=2000'

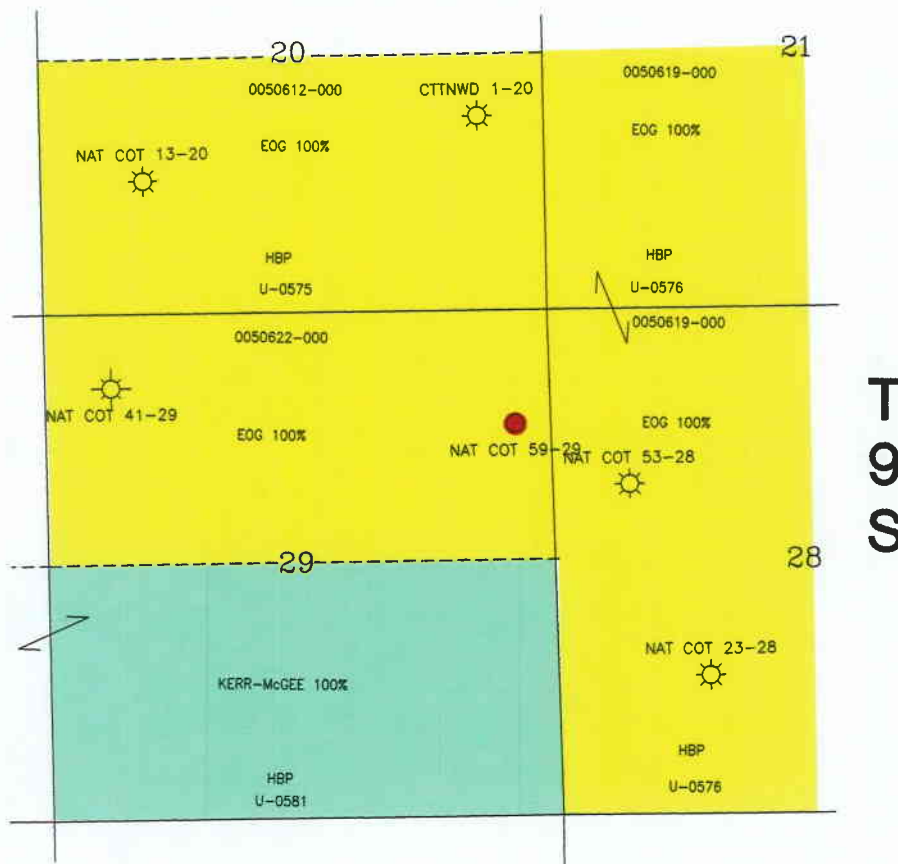
D:\utah\exception_plats\exc921e-29.dwg
exc_A_160

Author

T.M.

Mar 20, 2006 -
1:13pm

R 21 E



EOG 100% Working Interest

Kerr-McGee 100% Working Interest

Information depicted on this plat is limited to the ownership from the surface to the base of the Green River Formation.



Location at which applicant requests permission to drill the proposed Natural Cotton 59-29
1211' FNL, 369 FEL, (NENE) of Sec. 29, T9S - R21E

Exhibit "B"

Scale: 1"=2000'
0 1/2 1 Mile



Denver Division

Application for
Exception Well Location

Natural Cotton # 59-29 Well

UINTAH COUNTY, UTAH

Scale:
1"=2000'

D:\utah\exception_plat\
exc21e-29.dwg
exc_B_180

Author

T.M.

Mar 20, 2006 -
1:14pm



EOG Resources, Inc.
600 Seventeenth Street
Suite 1000N
Denver, CO 80202
Main: 303-572-9000
Fax: 303-824-5400

Does this **(YES)**
need an
amended letter?
43-047-37691

Ms. Diana Whitney
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Request for Consent to
Exception Well Location
Natural Cotton 59-29
NE/4NE/4 of Sec. 29-9S-21E, SLM
Uintah County, Utah
Natural Buttes Prospect
1540-G06, 0050622-000

Dear Ms. Whitney:

Enclosed is EOG Resources, Inc.'s ("EOG") formal application for the Utah Division of Oil, Gas and Mining's administrative approval of the subject exception location.

The Division of Oil, Gas and Mining has already approved the application to drill the referenced well and the need for an exception location was apparently overlooked. So, if the enclosed request is approved, please provide EOG with an amended version of the Division of Oil, Gas and Mining's original February 8, 2006, approval letter (copy also enclosed) evidencing same. I would greatly appreciate it if you would also fax a copy of such amended approval letter to my attention at (303) 824-5401.

Thank you for your assistance. If you have any questions, please don't hesitate to call me at (303) 824-5430.

Sincerely,

EOG RESOURCES, INC.

Debbie Spears
Lead Land Technician

/das
Enclosures
DOGM-nc59-29.doc

RECEIVED
MAR 31 2006

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

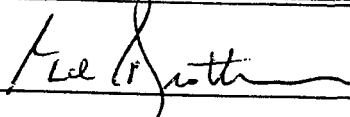
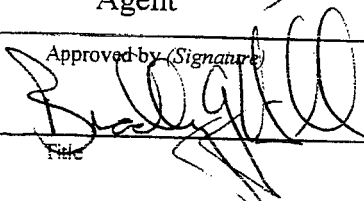
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. U-0581
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator EOG RESOURCES, INC.		7. If Unit or CA Agreement, Name and No.
3a. Address P.O. BOX 1815 VERNAL, UT 84078	3b. Phone No. (Include area code) (435)789-0790	8. Lease Name and Well No. NATURAL COTTON 59-29
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 1211' FNL, 369' FEL <i>622329X 40.010931</i> At proposed prod. Zone <i>4429744Y NE/NE -109.566733</i>		9. API Well No. 2/3-047-37691
14. Distance in miles and direction from nearest town or post office* 14.72 MILES SOUTHEAST OF OURAY, UTAH		10. Field and Pool, or Exploratory NATURAL BUTTES
15. Distance from proposed* location to nearest property or lease line, ft. 369' (Also to nearest drig. Unit line, if any)	16. No. of Acres in lease 2400	11. Sec., T., R., M., or Blk. and Survey or Area SEC. 29, T9S, R21E, S.L.B.&M.
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. See Topo Map C	19. Proposed Depth 5100'	12. County or Parish UINTAH
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 4878.6 FEET GRADED GROUND	22. Approximate date work will start* UPON APPROVAL	13. State UTAH
24. Attachments		17. Spacing Unit dedicated to this well 160
20. BLM/BIA Bond No. on file NM-2308		23. Estimated duration 45 DAYS

Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature 	Name (Printed/Typed) Ed Trotter	Date January 18, 2006
Title Agent		
Approved by (Signature) 	Name (Printed/Typed) BRADLEY G. HILL ENVIRONMENTAL SCIENTIST III	Date 02-08-06
Title File	Office	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of Approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

RECEIVED

MAR 31 2006

RECEIVED
FEB 03 2006

DIV. OF OIL, GAS & MINING

DIV. OF OIL, GAS & MINING

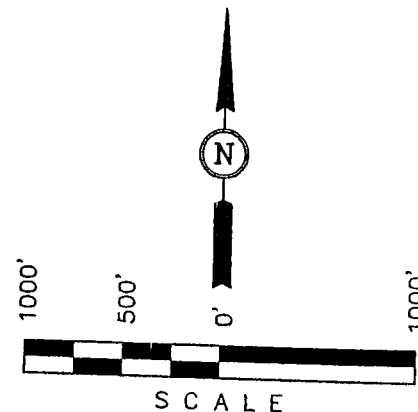
T9S, R21E, S.L.B.&M.

EOG RESOURCES, INC.

Well location, NATURAL COTTON #59-29,
located as shown in the NE 1/4 NE 1/4 of
Section 29, T9S, R21E, S.L.B.&M. Uintah
County, Utah.

BASIS OF ELEVATION

TWO WATER TRIANGULATION STATION LOCATED IN THE NW
1/4 OF SECTION 1, T10S, R21E, S.L.B.&M. TAKEN FROM THE
BIG PACK MTN NE, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5
MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE
UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL
SURVEY. SAID ELEVATION IS MARKED AS BEING 5238 FEET.



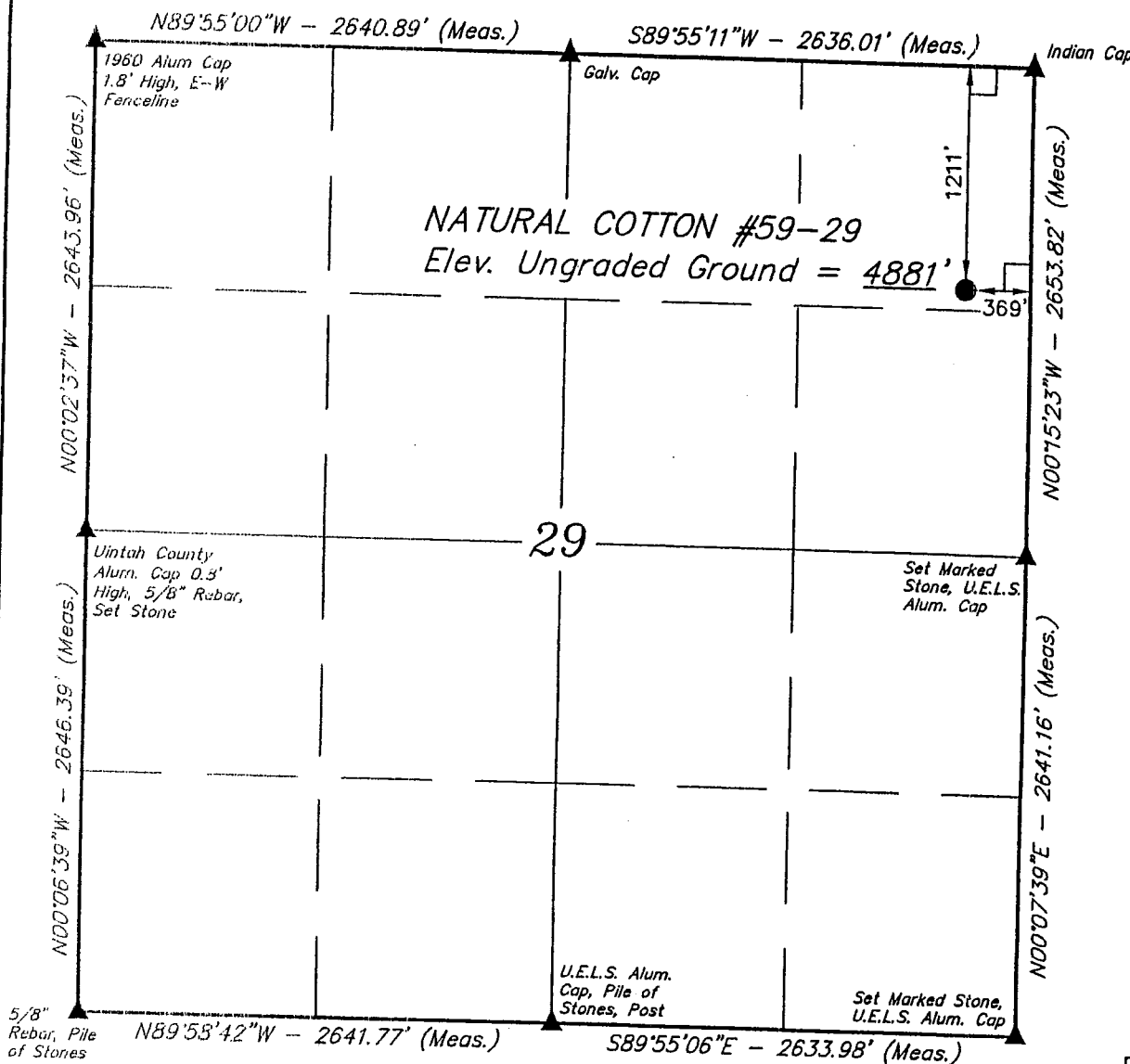
CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM
FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY
SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE
BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 10-5-05	DATE DRAWN: 10-10-05
PARTY T.B. B.C. K.G.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE EOG RESOURCES, INC.	



BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

(NAD 83)
LATITUDE = 40°00'39.40" (40.010944)
LONGITUDE = 109°34'02.82" (109.567450)
(NAD 27)
LATITUDE = 40°00'39.53" (40.010981)
LONGITUDE = 109°34'00.34" (109.566761)

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

February 8, 2006

EOG Resources, Inc.
P O Box 1815
Vernal, UT 84078

Re: Natural Cotton 59-29 Well, 1211' FNL, 369' FEL, NE NE, Sec. 29, T. 9 South,
R. 21 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-37691.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

RECEIVED

MAR 31 2006

DIV. OF OIL, GAS & MINING

Operator: EOG Resources, Inc.

Well Name & Number Natural Cotton 59-29

API Number: 43-047-37691

Lease: U-0581

Location: NE NE Sec. 29 T. 9 South R. 21 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.

5. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER _____

2. NAME OF OPERATOR:
EOG Resources, Inc.

3. ADDRESS OF OPERATOR:
600 17th St., Suite 1000N CITY Denver STATE CO ZIP 80202

PHONE NUMBER:
(303) 262-2812

5. LEASE DESIGNATION AND SERIAL NUMBER:
U-0581

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:
NATURAL COTTON 59-29

9. API NUMBER:
43-047-37691

10. FIELD AND POOL, OR WILDCAT:
NATURAL BUTTES

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1,211' FNL & 369' FEL

COUNTY: UINTAH

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 29 9S 21E S.L.B. & M

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>APD EXTENSION REQUEST</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

EOG Resources, Inc. respectfully requests the APD for the referenced well be extended for one year.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 02-07-07

By: [Signature]

FORWARDED TO O&G/GO
2-9-07
Rm

NAME (PLEASE PRINT) Carrie MacDonald

TITLE Operations Clerk

SIGNATURE

[Signature]

DATE

2/1/2007

(This space for State use only)

RECEIVED
FEB 06 2007

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-37691
Well Name: NATURAL COTTON 59-29
Location: 1211 FNL 369 FEL (NENE), SECTION 29, T9S, R21E S.L.B.&M
Company Permit Issued to: EOG RESOURCES, INC.
Date Original Permit Issued: 2/8/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☐

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

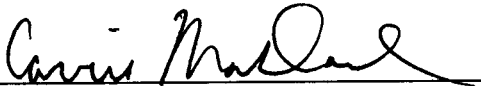
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐


Signature

2/1/2007
Date

Title: Operations Clerk

Representing: EOG Resources, Inc.

RECEIVED
FEB 06 2007
DIV. OF OIL, GAS & MINING

RECEIVED

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FEB 02 2006

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: ☒ DRILL ☐ REENTER
1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

2. Name of Operator
EOG RESOURCES, INC.

3a. Address P.O. BOX 1815
VERNAL, UT 84078

3b. Phone No. (Include area code)
(435)789-0790

4. Location of Well (Report location clearly and in accordance with any State requirements. *)

At surface 1211' FNL, 369' FEL
At proposed prod. Zone

NE/NE

14. Distance in miles and direction from nearest town or post office*
14.72 MILES SOUTHEAST OF OURAY, UTAH

15. Distance from proposed*
location to nearest 369'
property or lease line, ft.
(Also to nearest drig. Unit line, if any)

16. No. of Acres in lease
2400

17. Spacing Unit dedicated to this well
160

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft. See Topo Map C

19. Proposed Depth
5100'

20. BLM/BIA Bond No. on file
NM-2308

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
4878.6 FEET GRADED GROUND

22. Approximate date work will start*
UPON APPROVAL

23. Estimated duration
45 DAYS

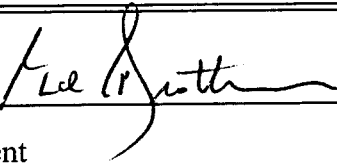
24. Attachments

Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature



Name (Printed/Typed)
Ed Trotter

RECEIVED

Date

January 18, 2006

Title

Agent

APR 16 2007

Approved by (Signature)



Name (Printed/Typed)

JERRY KENZLER

DIV. OF OIL, GAS & MINING

Date

4-10-2007

Title

Assistant Field Manager

Office

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of Approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

CONDITIONS OF APPROVAL ATTACHED

06GXJ0533A



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

VERNAL FIELD OFFICE

170 South 500 East

VERNAL, UT 84078 (435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: EOG Resources, Inc. Location: NENE, Sec. 29, T9S, R21E
Well No: Natural Cotton 59-29 Lease No: UTU-0581
API No: 43-047-37691 Agreement: N/A

Title	Name	Office Phone Number	Cell Phone Number
Petroleum Engineer:	Matt Baker	435-781-4490	435-828-4470
Petroleum Engineer:	Michael Lee	435-781-4432	435-828-7875
Petroleum Engineer:	James Ashley	435-781-4470	435-828-7874
Petroleum Engineer:	Ryan Angus	435-781-4430	435-828-7368
Supervisory Petroleum Technician:	Jamie Sparger	435-781-4502	435-828-3913
NRS/Enviro Scientist:	Paul Buhler	435-781-4475	435-828-4029
NRS/Enviro Scientist:	Karl Wright	435-781-4484	
NRS/Enviro Scientist:	Holly Villa	435-781-4404	
NRS/Enviro Scientist:	Melissa Hawk	435-781-4476	435-828-7381
NRS/Enviro Scientist:	Chuck MacDonald	435-781-4441	
NRS/Enviro Scientist:	Jannice Cutler	435-781-3400	
NRS/Enviro Scientist:	Michael Cutler	435-781-3401	
NRS/Enviro Scientist:	Anna Figueroa	435-781-3407	
NRS/Enviro Scientist:	Verlyn Pindell	435-781-3402	
NRS/Enviro Scientist:	Darren Williams	435-781-4447	
NRS/Enviro Scientist:	Nathan Packer	435-781-3405	
After Hours Contact Number: 435-781-4513		Fax: 435-781-4410	

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a one-year period. An additional year extension may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

Location Construction (Notify NRS/Enviro Scientist)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify NRS/Enviro Scientist)	-	Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supervisory Petroleum Technician)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings
BOP & Related Equipment Tests (Notify Supervisory Petroleum Technician)	-	Twenty-Four (24) hours prior to initiating pressure tests
First Production Notice (Notify Petroleum Engineer)	-	Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days

***SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)***

General Surface COAs

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer AO. A report will be prepared by a BLM permitted paleontologist and submitted to the AO at the completion of surface disturbing activities.

Specific Surface COAs

Conditions for Approval are in the APD

- Within 90 calendar days of the approval date for this Application for Permit to Drill (APD), the operator/lessee shall submit to the Authorized Officer (AO), on Sundry Notice Form 3160-5, an Interim Surface Reclamation Plan for surface disturbance on well pads, access roads, and pipelines. At a minimum, this would include the reshaping of the pad to the original contour to the extent possible; the respreading of the top soil up to the rig anchor points; and, the area reseeded using appropriate reclamation methods. The AO will provide written approval or concurrence within 30 calendar days of receipt.
- Pronghorn kidding area no construction or drilling from 5/15-6/20
- Avoid drainage as much as possible when constructing the site

DOWNHOLE CONDITIONS OF APPROVAL

SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL

- Production casing cement shall be brought up and into the surface casing.
- A cement Bond Log (CBL) shall be run from the production casing shoe to the surface casing shoe.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- Blowout prevention equipment BOPE shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources such as Gilsonite, tar sands, oil shale, trona, etc. to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth from KB or GL of encounter, vertical footage of the encounter and,

the name of the person making the report along with a telephone number should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- Chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log CBL will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" Oil and Gas Operations Report OGOR starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 303 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - Operator name, address, and telephone number.
 - Well name and number.
 - Well location $\frac{1}{4}$, Sec., Twn, Rng, and P.M..
 - Date well was placed in a producing status date of first production for which royalty will be paid.
 - The nature of the well's production, i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons.
 - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - Unit agreement and/or participating area name and number, if applicable.
 - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees NTL 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events fires, accidents, blowouts, spills, discharges as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" BLM Form 3160-4 shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including,

at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples cuttings, fluid, and/or gas shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" Form BLM 3160-5 must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER _____

2. NAME OF OPERATOR:

EOG Resources, Inc.

3. ADDRESS OF OPERATOR:

1060 East Highway 40 CITY Vernal

STATE UT

ZIP 84078

PHONE NUMBER:

(435) 781-9111

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1211 FNL & 369 FEL 40.010944 Lat 109.567450

COUNTY: UINTAH

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 29 9S 21E S. L. B. & M.

STATE:

UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER:

UTU0581

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

NATURAL COTTON 59-29

9. API NUMBER:

43-047-37691

10. FIELD AND POOL, OR WILDCAT:

NATURAL BUTTES

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input checked="" type="checkbox"/> OTHER: <u>APD EXTENSION REQUEST</u>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

EOG Resources, Inc. respectfully requests the APD for the referenced well be extended for one year.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 02-12-08

By: [Signature]

NAME (PLEASE PRINT) Kaylene R. Gardner

TITLE Lead Regulatory Assistant

SIGNATURE [Signature]

DATE 2/8/2008

(This space for State use only)

RECEIVED

FEB 11 2008

(See Instructions on Reverse Side)

COPY SENT TO OPERATOR

Date: 2-12-2008

Initials: KS

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-37691
Well Name: NATURAL COTTON 59-29
Location: 1211 FNL & 369 FEL (NENE), SECTION 29, T9S, R21E S.L.B.&M
Company Permit Issued to: EOG RESOURCES, INC.
Date Original Permit Issued: 2/8/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☐

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

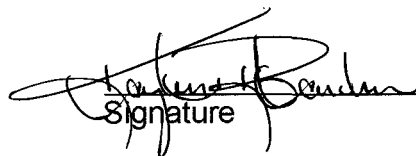
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐


Signature

2/6/2008

Date

Title: Lead Regulatory Assistant

Representing: EOG Resources, Inc.

RECEIVED
FEB 11 2008
DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-0581
2. NAME OF OPERATOR: EOG Resources, Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1060 East Highway 40 Vernal UT 84078		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1211' FNL & 369' FEL 40.010944 LAT 109.567450 LON QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 29 9S 21E S.L.B. & M.		8. WELL NAME and NUMBER: Natural Cotton 59-29 9. API NUMBER: 43-047-37691 10. FIELD AND POOL, OR WILDCAT: Natural Buttes
		COUNTY: Uintah STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>APD EXTENSION REQUEST</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

EOG Resources, Inc. respectfully requests the APD for the referenced well be extended for one year.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 02-05-09
By: [Signature]

COPY SENT TO OPERATOR

Date: 2.5.2009

Initials: KS

NAME (PLEASE PRINT) <u>Mickenzie Thacker</u>	TITLE <u>Operations Clerk</u>
SIGNATURE <u>Mickenzie Thacker</u>	DATE <u>1/29/2009</u>

(This space for State use only)

RECEIVED

FEB 02 2009

DIV. OF OIL, GAS & MINING

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-37691
Well Name: Natural Cotton 59-29
Location: 1211 FNL & 369 FEL (NENE), SECTION 29, T9S, R21E S.L.B.&M
Company Permit Issued to: EOG Resources, Inc.
Date Original Permit Issued: 2/8/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☐

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐

Micheniz Thacker
Signature

1/29/2009

Date

Title: Operations Clerk

Representing: EOG Resources, Inc.

RECEIVED

FEB 02 2009

DIV. OF OIL, GAS & MINING



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 10, 2010

Mickenzie Gates
EOG Resources Inc.
1060 East Highway 40
Vernal, Utah 84078

Re: APD Rescinded – Natural Cotton 59-29, Sec. 29, T. 9S, R. 21E
Uintah County, Utah API No. 43-047-37691


Dear Ms. Gates:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on February 8, 2006. On February 7, 2007, February 12, 2008 and February 5, 2009 the Division granted a one-year APD extension. On February 9, 2010, you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective February 9, 2010.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal

